

Gorbachev Keeps Pressure on Lithuania Kremlin Demands Halt to Any Plans for Defense System

By Francis X. Clines

MOSCOW — President Mikhail S. Gorbachev's campaign of psychological pressure on Lithuania intensified Thursday as he demanded that the republican government end any plans for a defense system.

The Kremlin, continuing to flood the state-controlled news media with a mood of heightening crisis, announced that the Soviet leader had sent a protest to Lithuanian officials over any steps to carry out their March 11 declaration of independence from Soviet authority.

"Please report fulfillment within two days," Mr. Gorbachev directed in a telegram to President Vytautas Landsbergis of Lithuania.

The Lithuanian authorities again insisted that Mr. Gorbachev had no authority to issue such directives and that the increasing pressure would not sway them. They went ahead with various measures, including the passage of a law to take tighter control of Lithuanian radio and television.

Mr. Gorbachev's heightening of the pressure was clear, as the main part of the Soviet evening television news was taken up with Kremlin-generated directives and protests over Lithuania.

Late Thursday, Moscow television showed old documentaries of the Soviet army's victory over German invaders.

Harvard's Lawrence Summers sees Finland as a model for Lithuania's economy. Page 11.

that presented a Soviet history of Lithuania, omitting any mention of the forced annexation of the republic in 1940 and depicting Soviet troops as champions over German invaders.

The Soviet press agency Tass said "measures are being taken" to confiscate weapons from organiza-

tions and the people in Lithuania and to restrict the movement of foreigners in the republic. These were the main points of Mr. Gorbachev's order on Wednesday.

[A column of Soviet armored personnel carriers and army trucks drove through the center of the Lithuanian capital Thursday in Moscow's latest show of force in the republic. The Associated Press reported from Vilnius, Lithuanian officials protested the increase in military activity.

In his directive, the Soviet leader focused heavily on the fact that Sejdis, the Lithuanian separatist movement, had put up posters in Vilnius calling for a "territorial defense system."

The volunteer plan was not otherwise specified, but Mr. Gorbachev said in his telegram to Vilnius that these volunteers were being "called upon to replace" Soviet border troops and even some internal police authorities.

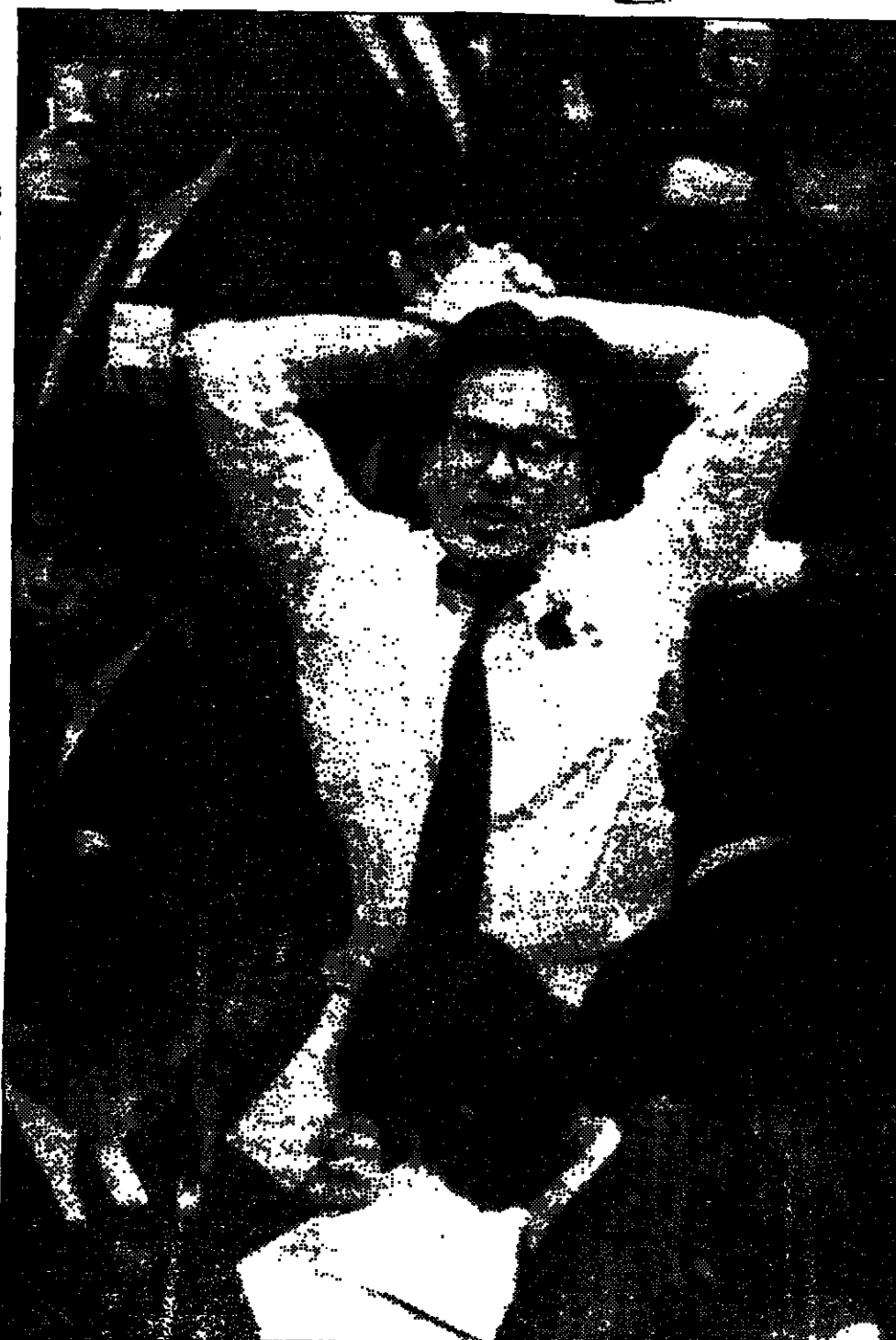
"I suggest that urgent measures be taken to stop all actions at creating these and similar units," Mr. Gorbachev told Mr. Landsbergis.

Mr. Gorbachev also singled out one of a number of proposals that have been offered in the Lithuanian parliament: a plan that would apply criminal penalties for conviction of agitating for the overthrow of the republican government. He denounced the proposal as invalid, contending that the central government has sole authority over state crimes in Lithuania.

The Soviet media again omitted the fact that there have been no instances of violence in the two-year separatist campaign in the republic. The coverage has been sympathetic toward the republic's non-Lithuanian, largely Russian minority while skipping on the history of Soviet annexation and mass exiles of Lithuanians to Siberia.

Tass quoted the prosecutor's office as saying, "Residents are especially concerned about illicit activities by militant nationalist groups."

See LITHUANIA, Page 6



A floor dealer took a breath amid hectic trading on the Tokyo Stock Exchange on Thursday.

Japan Seeks Aid On Yen

U.S. Talks Follow Further Steep Fall In Tokyo Stocks

By Lawrence Malkin

NEW YORK — Against the background of another tumble in Tokyo stock prices on Thursday and a falling yen, Japan's finance minister meets with his U.S. counterpart Friday to seek help in the form of lower U.S. interest rates. He is unlikely to get what he wants.

The meeting between Ryutaro Hashimoto and the U.S. Treasury secretary, Nicholas F. Brady, was originally scheduled to discuss trade issues. But the steady, down-

ward thumps of the Tokyo stock market and the authorities' vain attempts to stabilize the yen have diverted attention from trade.

Moreover, though world markets suffered some losses, nothing like the panic that grips Tokyo has spread abroad. On Thursday, Japanese stock prices slid more than 3 percent as confidence in the Tokyo market shrank.

Mr. Brady told reporters as he left a congressional hearing Thursday morning that "there is nothing unusual" in the Friday meeting, adding, "It is a fairly ordinary process." The talks were arranged more than a week ago as a follow-up to Mr. Brady's tour of European capitals in March, to prepare for a Group of Seven finance ministers meeting in Paris on April 7.

On Wall Street, prices moved downward Thursday on heavy program trading and fears of a credit squeeze by banks burdened with bad debts.

U.S. Treasury bonds strengthened as buyers moved into dollars, seeking a safe haven from the unstable yen and political anxieties about Eastern Europe.

In a volatile day of trading in Tokyo on Thursday, the Nikkei average dropped 963.85 points, or 3.1 percent, to 29,843.84, the 10th-worst percentage drop on record. Japanese traders and — more important — investors were shocked by the opening dive of 6 percent.

Since the start of the year, what was once the world's steadiest bourse has plummeted 25.5 percent, as measured on the 225-stock Nikkei.

By comparison, Wall Street's worst-ever fall, on Oct. 19, 1987 — Black Monday — knocked 22.6 percent from the Dow.

One consequence of Tokyo's recent declines is that the Japanese market has yielded to Wall Street its No. 1 position in world market ranking by capitalization. The value of all Tokyo stocks at Thursday's close was 449 trillion yen, or \$2.93 trillion, Japan's Jiji Press news agency reported. That compares with \$2.97 trillion for stocks listed on the New York Stock Exchange on Wednesday.

Japanese officials, used to overseeing their once tightly regulated markets like a well-managed factory, have been unable to stem the rout, which has spread to the nation's currency.

During the stock market's gyrations, the Bank of Japan attempted to prop up the yen by intervening in currency markets. Traders in Tokyo

See TOKYO, Page 18

A Soldier's Account of Abuse

By Esther B. Fein

VILNIUS, Lithuania — Virginijus Vitkauskas came to the Lithuanian government's Commission on Military Service this week, his right eye swollen and purple and his upper teeth punched out.

He was the victim, he said, of soldiers in his unit, who said they would teach the young Lithuanian what they thought of his republic's drive for independence.

A volunteer worker at the commission gently patted his back, took down his story, then sent him to a military unit, saying that the 19-year-old was now under the charge of the commission and that he would not return.

The commission, which has been operating for nearly a year, describes its task as the protection of Lithuanian recruits who have run away from the Soviet Army, complaining of harassment or saying they have suffered nervous breakdowns and illnesses that the military ignored or mistreated.

There are some who deserted because, they said, they felt they could not in good conscience serve the Soviet Army.

Since Lithuania declared its independence on March 11, setting off an onslaught of official denunciations and warnings, the commission's small staff has been inundated each day by dozens of soldiers looking for shelter from the Soviet military.

"These boys see no other choice but to get out," said Gediminas Mikulskis, an economist who has been volunteering at the commission for a week. "They are pressured psychologically and physically. They are humiliated."

"They just say they are from Lithuania and that's reason enough for the others to start beating them. And there is nobody who will defend them. Nobody. It has gotten significantly worse since the

See SOLDIERS, Page 6

Communists Sent Tons of Explosives to Libya, Havel Reveals

By Craig R. Whitney

LONDON — President Vaclav Havel of Czechoslovakia said Thursday that the former Communist regime in Prague had shipped 10,000 tons of Semtex explosive to Libya, which had passed it on to terrorist organizations.

"Two hundred grams is enough to blow up an aircraft," he said, "and this means world terrorism now has supplies of Semtex to last 150 years."

The substance, made in Czechoslovakia, is pliable, high-yield and odorless. It is undetectable by sniffer dogs or conventional X-ray machines for baggage inspection.

It is believed to have been used to blow up Pan American World Airways Flight 103 over Lockerbie, Scotland, in December 1988, killing 259 people on board and 11 on the ground, and a French airliner over Niger last year, killing 170 people.

British officials believe Libya shipped several tons of Semtex in the mid-1980s to the Irish Republican Army for operations in Britain and Ireland.

James Adams, a British expert on terrorism, said Mr. Havel's figure of 1,000 tons was much more than had previously been thought available to terrorists.

Mr. Havel, speaking at a press

conference on a three-day visit to Britain, said Czechoslovakia no longer exported Semtex.

"The absurd side of the matter is that Czechoslovakia didn't even make money on it," he said. "It was done on political orders from above."

An aide, Michael Zantovsky, said that under the previous government, Czechoslovakia had supplied Semtex to all the Warsaw Pact countries, "and not at market prices, either."

British officials said the Communists had said they had stopped exporting Semtex in 1982, but had reportedly continued making "special deliveries" to East Germany and Hungary until 1989.

Mr. Havel said that Czechoslovakia would propose that all countries making similar industrial explosives treat them with chemical markers to make their use by terrorists more difficult.

Czechoslovakia's foreign minister, Jiri Dienstbier, said in January that the country would halt its profitable arms trade immediately, but sides later said he had not meant that it would not fulfill existing commitments.

Mr. Havel, a playwright who spent about five years in prison between the Soviet invasion of Czechoslovakia in 1968 and the revolution last November that swept him into power, met with

Prime Minister Margaret Thatcher for 90 minutes Wednesday night. He said Thursday that the question of German reunification had played a major role in their talks.

"I explained to the prime minister that it should be understood as a sort of engine that should propel the unification of the whole of Europe, and not be a brake retarding it," he said. "I thought Mrs. Thatcher appreciated our view on this."

Mr. Havel also met on Thursday with Foreign Secretary Douglas Hurd to talk about Czechoslovakia's proposals for a pan-European security system to replace the

See SEMTEX, Page 6

In West Poland, Cry of 'Russians Go Home' Is Losing Favor

By Blaine Harden

LEGNICA, Poland — Over the past 36 years, as Soviet troops prowled around this western Polish city in trucks, tanks and helicopters, a patriotic tradition emerged of Polish children beating up the children of Russian soldiers.

In the same spirit, Polish teenagers, fortified with vodka, lobbed obscenities and an occasional stone at Russian women shopping in the city square.

The hostility of a people under foreign military occupation came to a head last fall when the Solidarity labor movement took control of the government in Warsaw. There were more scuffles, more obscenities and the red-brick walls of Legnica were smeared

with graffiti: "Russians Go Home," "Poland for Poles" and "Thanks to the Volga."

In the past month, however, Cold War rancor has given way to more pressing concerns. Poles have crossed out and painted over anti-Russian graffiti. Obscenities have been replaced by smiles. The 20,000 Soviet troops stationed here, along with their wives and children, have found themselves squinting into the unfamiliar glow of Polish hospitality.

The reason, in a word, is Germany.

"As long as one Russian stays on this land, the people think the Germans won't come back," said Colonel Ivan Kalinichenko, a Soviet officer who has been stationed here for nearly six years.

Legnica, situated 50 miles (80 kilometers) from

the East German border, lies in a strip of Poland that belonged to Germany before 1945. Its architecture is German, not Polish.

But the best soup in the best restaurant in town is *kalduna barsz*, a specialty of eastern Poland.

After the war, nearly all the German residents of Legnica were deported. The 100,000 people who live here now are nearly all Polish transplants — or the children and grandchildren of transplants — from parts of Poland annexed by the Soviet Union.

These Poles have good reason to resent the Russians who took their ancestral land. But they say they have better reasons to fear the Germans.

Feeling that fear is the rush toward German reunification and what many Poles view as waffling

on the part of the West German chancellor, Helmut Kohl, about the Polish border.

"My friends are saying that the border cannot remain and that the Germans will be here in one or two years," said a grizzled farmer who was walking past the building where the Soviet Army has its offices. "There is no question that they will come."

"When the Germans come back, what then will happen to us? Will the Russians give us back our land in the east? Of course they won't."

For hundreds of years, it has been the Polish predicament to be trapped between the armies of Germany and Russia. Forty-five years of resisting

See FRIENDS, Page 6

Got the Right Time? That's Debatable

By Barry James

International Herald Tribune

It's almost summertime — and the living gets complicated. More than 300 million citizens of the European Community will lose an hour's sleep this weekend as clocks go forward — Spring forward! Fall back! Remember?

And once again the nettlesome argument arises between rural workers who hate stumbling to the cowed in the morning darkness and city dwellers who enjoy strolling in a balmy twilight at 10 P.M.

"One always talks about the end of the day, and not about its beginning, which is tough for those who have to start early," said Segolene Royal, a French member of Parliament who wants France to go back to having the same time throughout the year — one hour ahead of Greenwich Mean Time — as it did until 1976.

France, Spain, the Netherlands, Belgium and Luxembourg began putting their summer clocks forward in 1976, to two hours ahead of GMT, as a means of saving energy in the wake of the oil crisis, the assumption being that people would not need to burn so many lights in the evening.



But Mrs. Royal maintains that savings have been negligible, while the change of hours is harmful to health because, she says, it affects people's biological rhythms. She cited a recent poll indicating that nearly one out of every two French doctors consid-

ers the change to be detrimental to their patients. Britain and Ireland are on GMT in winter, but add one hour in summer — a practice that began as a wartime economy measure in 1916. Portugal is on the same time band, meaning that the

See TIME, Page 6

China's Looming Symbol

Hong Kong Tower Was Meant to Mark Liberalism

By Barbara Basler

HONG KONG — The Bank of China moved this week into its new Hong Kong headquarters, a glass tower designed by I.M. Pei and already heralded as one of the most distinctive buildings in the world.

But Chinese officials in Hong Kong marked the occasion with nothing more than a small newspaper advertisement that announced the move and declared, "No ceremony will be performed."

For a building fraught with symbolism for Hong Kong and China, the skyscraper opened "with just a whisper," a foreign diplomat in Hong Kong said.

Paradoxically, the glittering glass tower Mr. Pei built to capture the spirit of the new liberalism of China was completed just as Beijing was undertaking a forced march back to old-style orthodox communism.

"The building was meant to celebrate the modernization of China, and to me it still does," Mr. Pei said.

The Chinese-born U.S. architect, who was in Hong Kong to receive an honorary degree from Hong Kong University, said the sectioned building was a metaphor for bamboo. The edifice tapers as it rises.

"In China, there is a saying that like a bamboo you advance with every stage of growth, meaning you rise to meet challenges," he said.

The 70-story, 1,209-foot (366-meter) tower, the tallest building in the world outside the United States, rises from the central business

district and dominates the skyline in much the same way that China is expected to dominate life in Hong Kong when it resumes control of the British colony in 1997.

From the beginning in 1982, when Britain sold to China's state bank a prime building site for millions less than its market value, the tower project was the focus of fear and speculation. Labor shortages, a problem with the foundation and material difficulties delayed the completion of the \$130 million building by more than a year.

At one point, there were reports in Hong Kong that the tower was sinking.

"The rumors about the building sinking were very strong," said Jeffrey Q. Finney of Knight Frank & Baillieu, a firm leasing space in the tower. "Then, of course, there were the rumors about the two poles on the top of the building being special towers to broadcast propaganda or secret spy messages — they aren't."

Mr. Pei said the poles were simply a finishing flourish to mark the end of the building. Hong Kong residents also worried that triangles that give the building its distinctive design were an example of bad *feng shui*.

Hong Kong Chinese are serious about *feng shui*, the ancient art of arranging buildings and other objects so they are in harmony with nature and bring good luck.

Many *feng shui* experts say the sharp angles of the tower are like dangerous daggers pointed at businesses and homes in the area. Small mirrors have been placed in the win-

See BANK, Page 6

El Salvador and Rebels, Hoping for Pact by Fall, Agree to Resume Talks

By Lindsey Gruson
New York Times Service

SAN SALVADOR — The government and the leftist guerrillas have agreed to begin talks and to a tentative time frame for signing a peace treaty, according to government officials.

Concessions have been made on both sides to reach what appears to be the broadest and most complete agreement since the beginning of the civil war in 1979.

An official said Wednesday that the "continuous and uninterrupted" talks were to begin in April and that they were expected to lead to an agreement by the fall under which the guerrillas of the Farabundo Martí National Liberation Front would start incorporating themselves into the political process.

"We're very optimistic," said another official, speaking with the authorization of President Alfredo Cristiani. The officials said that in a major concession to the guerrillas, Mr. Cristiani would lead the government negotiating team.

On Wednesday, Minister of Information Mauricio Sandoval announced what he described as major progress in behind-the-scenes negotiations, which were intended to lead to the first direct talks since the guerrillas staged a nationwide offensive last November.

"The government is ready to immediately reinstate the dialogue without any precondition," he said.

An aide to Mr. Cristiani said the talks would be held in a nearby Latin American capital.

Presidential aides said the negotiations were intended to enable the guerrillas to take part in municipal and legislative elections in March 1991.

The revival of the talks stems, in large part, from growing pressure by the United States, which finances the rightist Salvadoran government, from El Salvador's economic desperation and from a nationwide longing for peace. The decision to renew the talks also reflects a realization by a number of leaders on both sides that neither the government nor the guerrillas can win an outright military victory.

The officials said that Mr. Cristiani was convinced he could overcome any opposition to the negotiations among hard-line members of the military and of the governing Nationalist Republican Alliance party.

Many rightist extremists have opposed the talks, saying that the electoral defeat of the rebels' Sandinista allies in Nicaragua last month will inevitably lead to the

guerrillas' demise. But an aide to Mr. Cristiani said the president recognized the guerrillas' strong backing in El Salvador and their ability to survive without Sandinista aid.

General's Relative Hurt
The army said unidentified men shot and wounded the son-in-law of the Salvadoran Air Force chief on Thursday. Reuters reported from San Salvador.

Otto Sorto, 25, was shot by two men as he left his San Salvador home, the police said. Mr. Sorto later underwent surgery at a San Salvador hospital.

The air force chief, General Rafael Villamarín, appeared to accuse the guerrillas for the attack, saying family members should not be considered military targets.

Rights Abuses Charged
A U.S. organization said Thursday that respect for human rights in El Salvador had deteriorated to its lowest level since the early 1980s. The Associated Press reported from San Salvador.

A report by the New-York based organization, Americas Watch, cited an increase in torture by security forces; an escalation of rightist death-squad activity; the assassination of civilian officials by the left; the indiscriminate use of homemade guerrilla mortars; and several instances of massacres of up to eight individuals by government troops.



CALLING A HALT IN ARGENTINA — Saúl Ubaldini, an Argentine labor leader, at a Buenos Aires rally during a one-day strike by government workers that shut schools, state companies and the national airline. Thousands attended the rally, protesting wage increases that did not match inflation and President Carlos Menem's effort to sell large, state businesses to investors.

Sandinistas Yielding On Army, Foes Say

By Mark A. Uhlig
New York Times Service

MANAGUA — The chief negotiator for President-elect Violeta Barrios de Chamorro says he believes a basic agreement now exists with Sandinista leaders on the full transfer of control over Nicaragua's military and security forces when Mrs. Chamorro accedes to power April 25.

He said that the most serious problem now faced by the new government is the existence of the U.S.-backed contra army, which he said could "inflict a cost on all Nicaraguans" if it were not disbanded quickly.

The negotiator, Antonio Lacayo Oyanguren, who is Mrs. Chamorro's son-in-law and campaign manager, said he did not believe that the contra issue could derail the process that permitted the opposition victory in national elections on Feb. 25.

But he said the existence of the 10,000-man guerrilla army would inflame tensions and delay the Chamorro government's plans on issues ranging from economic recovery to the reduction of the army and security forces.

"If they postpone their demobilization, they will be postponing the firm initiation of the new era, and that will affect all Nicaraguans," Mr. Lacayo said.

"There is no reason for the contra to remain armed now that the elections have taken place."

On Friday, Mr. Lacayo is to travel with Nicaragua's Roman Catholic primate, Cardinal Miguel Obando y Bravo, to meet with contra officials in Tegucigalpa, Honduras, in an effort to persuade them to lay down their arms.

But neither opposition officials nor contra leaders have yet committed themselves to a deadline for disbanding the rebel army.

Mr. Lacayo said he believed that talks with Sandinista leaders had already succeeded in achieving basic agreement on the most sensitive element of the change of power, control of the army and security forces.

"They were concerned that the new government would come and appoint new people, not only in charge of the ministries themselves, but in charge of the rank and file," he said.

"There was talk that we wanted to bring in civilians or resistance fighters to join the army."

"We have been very clear to indicate to them that this is not the case," he said.

"We are going to respect the institutions as they are in the constitution, but at the same time we are going to adjust the size of the army

to meet the needs of the country," he added.

Mr. Lacayo, a 43-year-old businessman who was educated at the Massachusetts Institute of Technology, reassured Mrs. Chamorro's determination to appoint civilians to lead the Defense and Interior ministries.

He said the new government would abolish the combat units that have been attached to the Interior Ministry.

"We will have a national army, and a civilian police — a civilian Ministry of the Interior, not combat forces," he said.

Mr. Lacayo said that neither the army nor the security forces would have an independent source of funds, and that their budgets would be controlled exclusively by the new government.

Mr. Lacayo said he and other representatives of the government-elect had strongly protested widespread evidence that the Sandinista government had used the period since the election to arm its civilian supporters in Managua and in the countryside.

**NO-ONE
LIKES FLYING
TO JAPAN
MORE THAN
WE DO.**

Only JAL have 33 flights
a week
from Europe to Japan.

JAL
Japan Airlines

Presidential Candidate Slain in Bogotá

By Douglas Farah
Washington Post Service

BOGOTÁ — Assassins suspected of being rightist hit men shot and killed Bernardo Jaramillo Ossa, the charismatic presidential candidate of a leftist party, as he entered an airport Thursday with his wife and bodyguards.

Mr. Jaramillo's bodyguards wounded and captured one of the assassins, a 21-year-old native of the Antioquia region, where rightist paramilitary forces, often linked to cocaine trafficking, have a strong presence.

The 35-year-old labor lawyer, the candidate of the Patriotic Union, was shot four times in the chest and throat by the gunman. Police said that at least one other participant escaped.

Mr. Jaramillo, who had received constant death threats from rightist paramilitary squads, was elected to

a seat in the national Senate in the March 11 elections, and had served a term in the House of Representatives.

The assassination was the latest in a series of political killings that have shaken Colombia during this presidential campaign. Last Aug. 18, Luis Carlos Galán, the leading presidential aspirant of the governing Liberal party, was killed by gunmen working for the Medellín cocaine ring. That shooting prompted President Virgilio Barco Vargas to declare war on Colombia's drug networks.

While the government of Mr. Barco immediately condemned the killing Thursday, members of Mr. Jaramillo's Patriotic Union blamed the government and military for protecting paramilitary death squads.

Since the Patriotic Union was formed in 1985, party officials said, 1,040 party members have been

killed. Mr. Jaramillo was the 80th killed this year. In October 1987, gunmen tied to the Medellín ring shot and killed the party's former presidential candidate, Jaime Pardo Leal.

No one took responsibility for the assassination Thursday. Mr. Jaramillo favored ending extradition of suspected drug traffickers to the United States, and favored legalizing cocaine internationally, but the Patriotic Union is hated by the far right because of alleged ties to leftist guerrillas. Mr. Jaramillo described himself as a Marxist.

The military and police put its forces on alert, and police fired tear gas into a crowd of several hundred angry Patriotic Union marchers who were blocked by police from reaching the presidential palace in Bogotá. In response, the marchers, mostly university students, threw rocks and bottles and burned tires at some of the main streets.

"Yes sir, you bet, the government killed him!" chanted the marchers.

Party leaders were especially furious with Carlos Lemos Simmonds, the interior minister and a close adviser to Mr. Barco, because the minister had publicly alleged Monday that the Patriotic Union still maintained links to the guerrilla groups.

In an open letter to Mr. Lemos on Tuesday, the Patriotic Union's president, Diego Montano, wrote, "You must know that your statement can cause many deaths because our enemies will feel supported by the government."

In addition to putting its troops on alert, the government also banned the sale and consumption of alcoholic beverages in the capital, while several large unions declared 48-hour work stoppages.

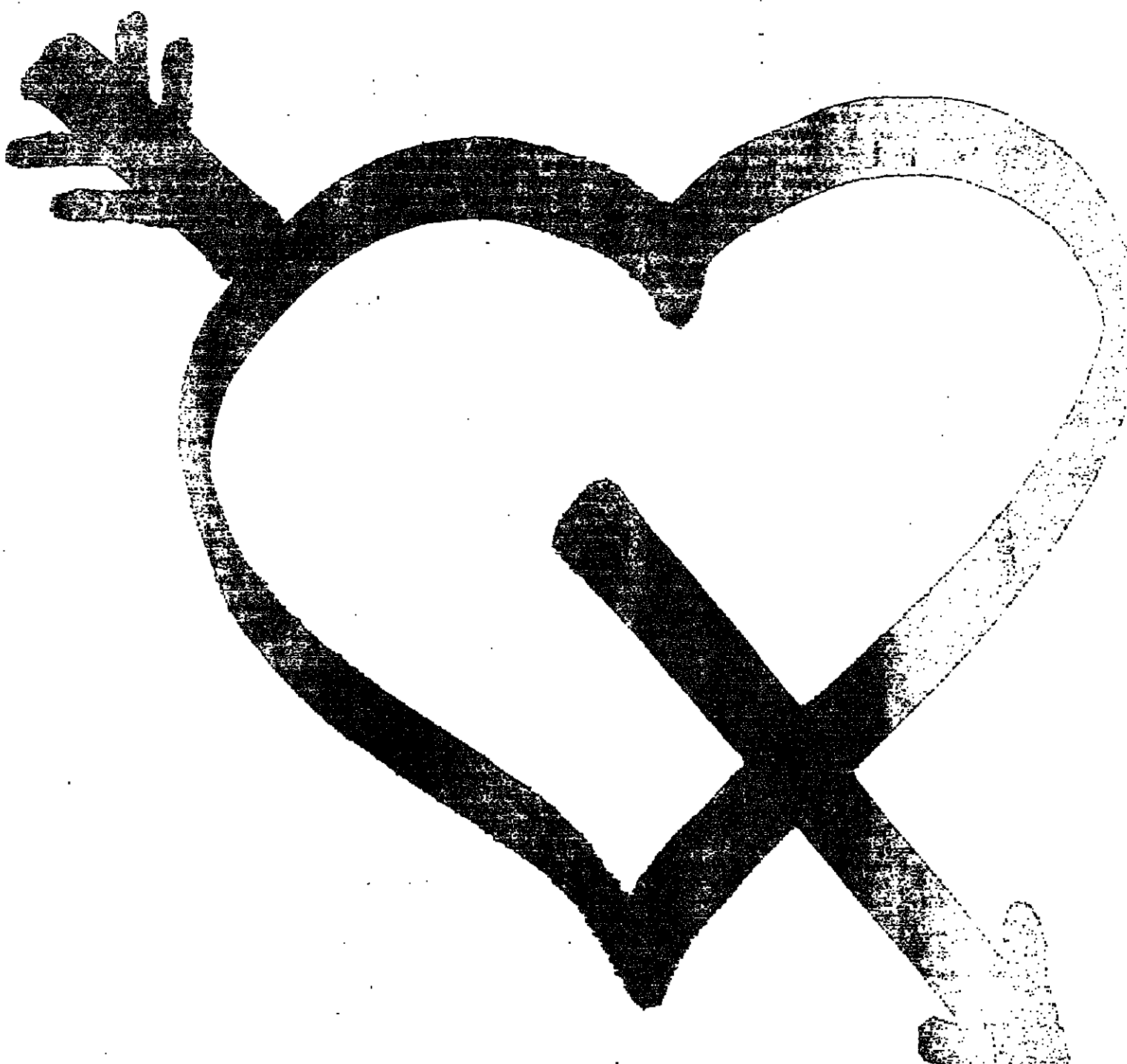
**IB
BLANCPAIN**

SINCE 1735 THERE HAS
NEVER BEEN A QUARTZ BLANCPAIN WATCH
AND THERE NEVER WILL BE.

**MEISTER
UHREN
ZURICH**

Bahnhofstrasse 33 Telefon 01. 211 19 33
MEISTER UHREN MEISTER SUHR MEISTER ZUR MEINEN

When IBM met UNIX...



There was the IBM world. There was the UNIX world. And some people thought: never the twain shall meet. Well, they did meet; and IT happened; and the result is the birth of AIX Version 3, which makes a new family of IBM workstations tick.

"Tick" is actually too slow a word. The POWERstations and POWERservers of the RISC System/6000 have been designed to pulse, to race — and to help you outdistance your competition with superior power and functions.

SNA and BSD4.3, Micro Channel and X Window System, token ring and NFS — everything that is best in IBM — can now combine with everything that is best in UNIX. With portability in both directions to protect your investment in hardware and software. Enlarging, at the same time, your range of applications dramatically.

These new IBM workstations come with enormous computing power — at a price which seasoned UNIX enthusiasts have to see to believe (for instance, at the Hannover Fair, IBM Booth, Hall 1).

So, what came out of it when the two met? An open IBM, intent on giving you the best of both worlds.

IBM Partners in Europe

OPINION

LBJ as Hero and Villain: Reality Is Messy That Way

By George F. Will

WASHINGTON — The best biographers, it is sometimes said, are conscientious enemies of their subjects: scrupulous when sifting evidence, but unenthralled and disposed to suspicion. Robert Caro, the indefatigable and unforgiving biographer of Lyndon Johnson, has now published the second of his projected four volumes.

It is, as Mr. Caro intended, fascinating and dismaying. It also is some things Mr. Caro did not intend, a case study of flight from the inescapable ambiguities of political judgment.

Mr. Caro, 53, is a liberal devoting the

then but that Mr. Johnson never was. Mr. Caro makes a plausible case that Mr. Johnson saved his career by stealing 35,000 votes. But the verb "steal" must be used gingerly in this context.

These were not 35,000 votes that otherwise would have been cast after the free deliberation of informed and uncoerced individuals behind democracy's sacred curtain. Many — almost certainly most — of those votes were going to be delivered as a block, at some boss's discretion, to someone. (In other elections they had been delivered to the sainted Mr. Stevenson.)

Mr. Caro believes that many more than 35,000 Johnson votes were tainted by his "modern" campaign techniques, which include campaigning by helicopter and with a broadcasting blitz. Mr. Caro's rhapsodic account of Mr. Stevenson's maneuvering from one small town, and tiny audience, to another has a misty romanticism to it, until you ask: Why, precisely, is it good to campaign in a way that communicates to such a tiny sliver of the electorate?

It is fun to exorcise the frequent superficiality, and worse, of media politics. But broadcasting helped put bosses out of business by enabling candidates to talk directly to voters. Mr. Caro may pine for the days when a candidate had "no electronic devices to mediate between himself" and the voters. But then, the mediating was apt to be done by the bosses so repellent to Mr. Caro.

Mr. Caro's narrative prompts this thought: Perhaps something in liberalism, or the liberal temperament, disposes liberals to make aesthetic judgments about politics, subordinating substantive judgments to the romance of style.

Mr. Johnson was a bullying vulgarist, often crudely unethical, sometimes corrupt. He also was the most potent promoter of the liberal agenda since Franklin Roosevelt. Reality is often messy that way, and perhaps something in the liberal mentality has trouble coming to terms with such untidiness.

Washington Post Writers Group.

When You Have to Go Home Again

By Barbara Howar

SHOTWELL, North Carolina — "It's strange," remarked an old friend as my furniture came off the van. "You coming home the very day they ship Ava Gardner here in a pine-wood box." Indeed, the famous Tar Heel was buried over in Smithfield almost simultaneously with the emptying of my last pecking crate. Every body back in place, one way or another, one reason or another.

"People here are suspicious of your motives," another friend warned. "They think you've returned to write about their eccentricities again. Better expect the Thomas Wolfe treatment for a while."

North Carolina's Wolfe I could endure. More of Manhattan's Tom Wolfe I could not. Seated together at a Park Avenue dinner a few years ago, we discussed "Bonfire of the Vanities," how rapidly fiction was becoming fact.

"It's time to get out of Dodge, isn't it?" I asked. Mr. Wolfe's response was a gentlemanly Virginian smile, the same enigmatic one he later gave the surly driver of our shared taxi home. Apparently carried by Mr. Wolfe's impeccable white suit, coat and hat, the cabble careened off into the night, cursing in a foreign tongue as I clung to the frayed strap in the rear seat. Yes, it was time to think about getting out of Dodge.

Every New Yorker, native or otherwise, knows to look over a shoulder at all times. You get used to keeping a sharp eye on a purse in the toniest restaurants, to never provoking weirdos in the street. Walking a dog in even a relatively secure neighborhood demands vigilance, lest the animal get bits of broken crack vials in its paws or relieve himself on the card-

board homes of temporary neighbors. I came to take it all in stride. I avoided the panhandlers and drug dealers, and accepted as part of the territory the official corruption, exploding gas mains, collapsing bridges, the scream of sirens. When the body of my daughter's college classmate was found in a green garbage bag, I was grateful the child wasn't mine. Just as I

MEANWHILE

was thankful to be away when robbers stripped me of my worldly goods. I lost everything but my outrage. The police would not come; the insurance company refused to pay; the building management was indifferent. Sympathetic friends interrupted my tale with horrendous odes of their own. "But be honest now," they'd say. "Would we really want to live anywhere else?"

For 10 years I didn't. In the end, it wasn't so much that New York scared me as it depleted me of the strength for anything constructive. Money, everyone agreed, was the only solution: Cold, hard cash helped keep the city at bay. But when the annual rent on an ordinary apartment neared \$50,000, and I found myself seriously considering an insane television job to sustain a lifestyle I no longer wanted, I knew the time was nigh to hang up my spurs.

The kicker came when I returned from a Christmas vacation. Walking the dog up West 56th Street, I passed as usual to speak to a woman who lived for years in a shipping crate outside my

building. When I heard myself pleasantly inquire how her holiday had been, as if she'd had a few friends drop around for turkey dinner, I truly was disgusted. And so I headed home after a 30-year absence, back to where Ava and I started. I have thought about her a lot since, remembering how I'd stood on the main street of Raleigh as she rode by in an open-car parade, how I'd vowed someday to see me some big towns and hear me some big talk, too.

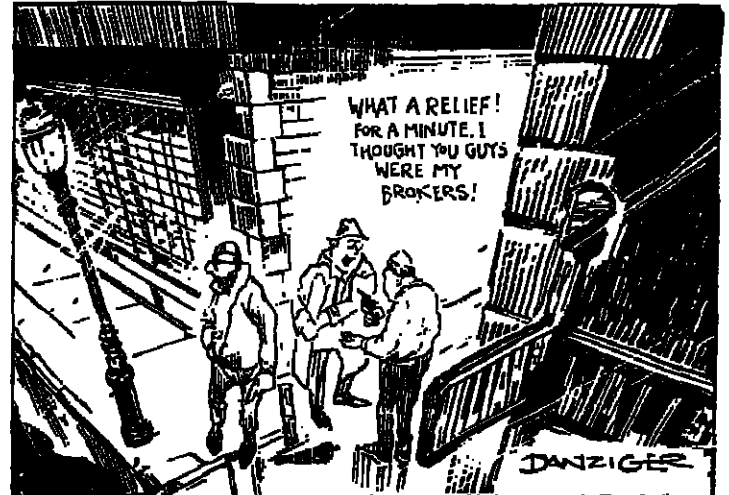
On a visit to her grave the other afternoon, I wondered if she would be as amazed as I by the freeway country-ride that has become the dynamic "Research Triangle," the place where a road sign stating "You Are Entering Klan Country" has given way to one announcing the future site of an RJR Nabisco factory.

Progress is a tricky business. I worry about the greed that accompanies it, the increasing numbers of homeless over in Raleigh and Durham, the growing drug problem that prompts the burglarizing of my rural neighbors.

It's saddening to think what I've returned to might become as polluted and dangerous a sewer as what I've just fled. Somehow I do not believe it will happen, although there is little to substantiate this other than a gut feeling for those who stayed behind to keep things straight while Ava and I were off to see the world.

"We maybe seem a little backward after New York," a farmer told me. "But that don't make us stupid, does it?" I said I dearly hoped it didn't.

Barbara Howar is a writer and television journalist. She contributed this comment to The New York Times.



More Than Spring Is in the Air

THERE IS A TOUCH OF spring in the air and something else, too: stray bullets. One day this month in New York City, one struck Amy Rosen while she ate her lunch in Central Park. The next evening, another struck Loretta Rivera as she walked home from a pizza parlor in Brooklyn.

When did walking home from a pizza parlor or sitting in the park on a sunny afternoon become being in the wrong place at the wrong time? The blossoming of bystander shootings is a recent phenomenon. Only since last year have New York City police felt a need to monitor its growth.

But judging by news reports, stray bullets ended the lives of an estimated 30 New Yorkers in 1989, more than twice the 1988 number and seven times the number killed in 1985. Experts believe that drug wars, automatic weapons and an increasingly trigger-happy populace are causing the rain of bullets. The sharp report of shots says it loudly enough: Too many guns in a tight space; too many bullets in the air.

The New York Times.

LETTERS TO THE EDITOR

Panzer Exercises in Ohio?

Why not have German troops in the United States and the Soviet Union? It may sound absurd, but is it really? The Germans are right in finding it unseemly to have foreign troops on their soil. But if they were invited to station troops in the United States and the Soviet Union, they would not need to feel that they were being treated unfairly.

It might lead to greater international understanding. Americans would begin to understand what it is like for Germans to have U.S. troops loudly playing rap music on a quiet day in the Rhine Valley or demanding hot dogs and hamburgers at Neuschwanstein Castle. German troops could play oompah music at the Grand Canyon and demand bratwurst at Independence Hall. This also would help keep America from retreating into isolationism and help Germany from feeling isolated.

ERIC A. JOHNSON, University of Cologne.

Blitzkrieg: Not That Fast

Regarding "Anyone for a Baseball Game?" (Opinion, March 14):

George Will writes that "Britain brought Churchill to power only after Hitler reached the English Channel." That is a slight exaggeration. Churchill became prime minister on May 10, 1940, the day Hitler launched his major offensive in the west. It took the German troops — rapid as they were — 11 days to cover the 240 miles to the Channel.

BERNARD SINSHEIMER, Boulogne-Billancourt, France.

Three Views of Abortion

Regarding Perdita Huston's column "Bearing Children Is None of Government's Business" (Meanwhile, March 15), the headline, at least, is wrong. I am certainly not advocating the equally coercive measures recently used in Romania. However, demographics are one of the key factors a government must take

into account, for economic, fiscal, social and military reasons.

Thus, "the most private of decisions a woman can make" becomes, collectively, the basis for public decisions. Many governments, including that of France, have fiscal and other measures designed to encourage their citizens to have children. Certain others in Asia and Africa try to discourage childbearing. Some, like the United States, have no official policy one way or the other but do have policies that directly or indirectly affect the birthrate.

ALFRED M. ROSSUM, Paris.

Indeed, the state has no business in reproductive choice. Nor do institutions such as the church. They must instead limit themselves to education. Schools and clinics must provide birth-control information. The state should have no right to ban sex education in schools. The church should have no right to bar a woman from its sacraments because of her birth-control choices.

But we are speaking of reproductive choice, not abortion. Once reproduction is a fact, choice is not possible. Abortion is not a valid form of birth control; it is murder. When legalized, it is state-approved killing, like the death penalty.

It takes willful blindness to deny that life starts at conception. We feel it instinctively. If that baby, if only a fetus, can be legally killed at 10 weeks, why not at 20 weeks, or 30? Why not immediately after birth? Why not at four years of age? How can educated people marshal logic, statistics and science in the just cause of fighting capital punishment, and then insist on the freedom to kill a baby?

CHRISTOPHER HOUSTON, Milan.

Perdita Huston is right, of course. But why is she only talking about the Roman Catholic Church? And why didn't she mention the Roman Catholic Church, which has been sticking its nose into women's business for centuries? A woman's body is her own, and it should be her

decision whether to abort or not, without interference from church or state.

PETER ADAMS, Paris.

Times Make the Leader

Regarding "Where Are the West's Haves?" (Opinion, March 16):

Dominique Moisi deplores the lack of Western leaders with vision. The times generally determine the kinds of leaders we get; maybe we don't need a lot of imagination and flair when the future is so uncertain. Maybe a dull, plodding caution is just what the West needs until the future clears up. Sure, de Gaulle and Roosevelt had imagination, but so did Hitler and Stalin.

So the West has no Vaclav Havel in positions of power? Perhaps that is because the West has no political prisons, which is where Vaclav Havel is made.

FRANCIS M. S. PEEL, Geneva.

GENERAL NEWS



Andrew Peacock, the opposition leader, with his daughters Ann, left, and Caroline. A poll indicated that the opposition held a slight lead.

Australia Faces Vote of Low Confidence

By Michael Richardson

International Herald Tribune

SYDNEY — As Australians vote on Saturday in national elections, a mood of cynicism pervading the country may produce results that will make effective government difficult.

Politicians and analysts said that an erosion of support for mainstream parties signaled deepening disillusionment with the operation of parliamentary democracy in Australia. This could complicate the task of economic recovery, the main issue in the election.

Although there are clear differences between the policies of the ruling Labor Party and the main opposition group — a coalition of the Liberal and National parties — voters are demonstrating distaste for both established political alternatives.

A poll published on Thursday put the opposition slightly ahead of Labor for the first time in the campaign. But analysts said that under the Australian system, in which voters rank candidates according to preference, Labor appears to have an edge as a second choice.

The poll indicated that about 20 percent of the 10.6 million registered voters — voting is compulsory — would give their first-preference votes to minor-party candidates and independents ahead of Labor and the opposition coalition. This would be a significantly higher proportion than in previous elections.

Ross Fitzgerald, a political scien-

tist at Griffith University in Brisbane, said, "This alarming increase is a symptom of utter disenchantment with the behavior and claims of either major party and a profound disbelief, especially among the young, in the possibility of positive change."

It was ironic, he said, that when "many citizens in Eastern Europe, and in some South American, Asian and African countries, are literally dying to get the vote, here in Australia voting is often seen as a chore and merely part of a democratic charade."

Ernie Charles, a pollster who has published a book on voting patterns, said that Australia had been tagged the "Lucky Country" because it had achieved a high living standard based on rich resources, abundant land and a relatively small population.

"However, Australians have been conditioned to expect everything," he said. "They want lower taxes, better roads and lower interest rates all at once."

The country has a foreign debt of 118 billion Australian dollars (\$96 billion), an annual inflation rate of 7.8 percent and interest rates for new home buyers of 17 percent. Unemployment stands at 6.5 percent of the work force.

John Hewson, the opposition spokesman on economic issues, said Thursday that the Australian economy was "in a recession with worse to come."

The opposition favors further cuts in taxes and government

spending, privatization of state-run companies and deregulation of wages and the labor market. However, Paul Keating, the Labor government's treasurer, said that the economic slowdown was laying the basis for lower interest rates, increased exports and sustainable long-term growth.

Bob Hawke, the Labor prime minister, is seeking a record fourth term. His chief opponent, Andrew Peacock, the opposition leader, has also had a long career in politics.

Although the public approval rating of Mr. Hawke is much higher than for Mr. Peacock, analysts said that many voters appeared bored with both leaders.

The Hawke government has abandoned many traditional Labor policies since it won office in 1983 and has adopted financial deregulation and other pragmatic economic programs that have narrowed the difference between the two major political groups.

The Age, a Melbourne newspaper, said that Australians felt that their living standards "have been squeezed and that Labor does not have the solution to the nation's economic problems. Yet there is a widespread reluctance to believe that the opposition could do any better."

As a result, voters appear set to strengthen the position of the Australian Democrats, a leftist party that is likely to continue holding the balance of power in the Senate and, for the first time, gain representation in the House of Repre-

sentatives, the lower chamber of the Australian parliament. The Democrats, who are critical of many of the market-oriented policies of both Labor and the opposition, have warned that they will block objectionable legislation in the upper house.

Green parties and independents demanding stronger measures to protect the environment and restrict economic development are also expected to win a proportion of the vote, but not enough to gain representation in parliament.

More than 1,000 candidates are running for the 148 House seats and 40 Senate seats.

In Australian elections, if no candidate gains more than 50 percent of first-preference votes, those on the ballot list gaining the least number of votes are progressively eliminated. The next choices on their ballots are distributed to remaining candidates until one gains a majority.

Opinion polls suggest that Labor will be more successful than the opposition coalition in attracting lower-preference votes by Australian Democrats and Green supporters.

Mark Lynch, a cartoonist for The Australian newspaper, summed up the mood of the campaign with a drawing that showed Mr. Hawke and Mr. Peacock trying to attract the attention of voters.

The caption read: "Recent polling suggests that these men have something to be extremely grateful for — compulsory voting."

THE CHINESE EXPORT COMMODITIES FAIR (CECF)

SPONSORED BY:

CHINA'S VARIOUS FOREIGN TRADE CORPORATIONS

ORGANIZED BY:

CHINA FOREIGN TRADE CENTRE (GROUP)

HELD: TWICE A YEAR

SPRING FAIR: FROM APRIL 15 TO APRIL 30

AUTUMN FAIR: FROM OCTOBER 15 TO OCTOBER 30

IN: GUANGZHOU, CHINA

CORDIALLY WELCOME THE PARTICIPATION OF BUSINESS PEOPLE
FROM ALL OVER THE WORLD
FOR BOTH IMPORT AND EXPORT BUSINESS WITH CHINA

For invitation, kindly contact:

- * Any one of the Chinese Import and Export Corporations
- * The Commercial Office of the Chinese Embassy
- * The CECF Liaison Department

Add: 117, Liuhua Road, Guangzhou, China

Telephone: 661664, 677000

Cable: CECFA GUANGZHOU

Telex: 44465 FAIR CN

Rebuffing the ANC, Baker Meets de Klerk

By David B. Ottaway
and John M. Goshko
Washington Post Service

CAPE TOWN — Secretary of State James A. Baker 3d ignored the pleas of South African black leaders and met President Frederik W. de Klerk here Thursday to become the first high-ranking U.S. official to visit South Africa in 12 years.

After the hour-long meeting, Mr. Baker said he had had "some very interesting, candid and constructive discussions" with Mr. de Klerk. The South African president said he regarded the secretary's visit as "a great honor" for South Africa and a testimony of U.S. interest in the region.

A senior U.S. official said later that Mr. Baker had come away from his talks with Mr. de Klerk and a group of black opposition leaders with the "strong impression that both sides are totally serious and committed" to peaceful negotiations for an end to apartheid.

Mr. Baker's presence highlighted the change in South Africa's international standing after Mr. de Klerk last month ended bans on all anti-apartheid organizations, released the African National Congress leader Nelson Mandela and offered to begin negotiations with black leaders for a new political system.

After decades of diplomatic isolation, Mr. de Klerk in four days has met more foreign heads of state than his predecessors combined since South Africa left the Commonwealth in 1960.

Immediately after Mr. Baker left the presidential office, President Mbeki, Raymond Mhlaba and Andrew Manganzi, were among a dozen black opposition figures who spent 90 minutes with Mr. Baker at the U.S. ambassador's residence in Cape Town.

Mr. Mbeki said the ANC was "not happy" with Mr. Baker's visit and that their message to him had

been that the United States should "continue to impose the pressures which they have been on the South African government and not relax at all."

But the senior U.S. official said there had been "no bickering, no lecturing and no scolding" during their meeting with Mr. Baker.

After his meeting with Mr. de Klerk, Mr. Baker went out of his way to repeat what he said the South African leader had told him in private: that "we are engaged here in South Africa in an irreversible process and we will follow it to its logical conclusion."

Mr. Baker is the first U.S. secretary of state to visit South Africa since Cyrus R. Vance did so in 1978.

The U.S. official, who briefed reporters accompanying Mr. Baker during their flight to Johannesburg on Thursday, said the secretary felt his talks with both white and black leaders were "extraordinarily interesting and productive."

The official said Mr. Baker had pressed both Mr. de Klerk and Foreign Minister R.F. Botha, whom he saw for lunch, to continue the mo-

mentum of change by lifting the state of emergency and releasing all political prisoners.

Mr. Baker described the 1986 state of emergency as "a very important symbol" to the world of Mr. de Klerk's intention and asked him to move quickly to lift it, the official said.

Mr. de Klerk, the official said, responded that he wanted to end the measure and might have done so already except for the recent upsurge in violence in black townships and the nominally self-governing homelands.

Mr. Baker was described as believing that Mr. de Klerk would move soon to end the state of emergency.

On political prisoners, Mr. de Klerk reportedly told Mr. Baker that there was a "problem of definition" of the term and whether those convicted of murder for political reasons should be included.

Mr. Mandela told Mr. Baker in Windhoek that the ANC estimated the number of political prisoners at 350, while the government put the number at only 330.

On the subject of the 1986 state of emergency, Mr. de Klerk reportedly told Mr. Baker that there was a "problem of definition" of the term and whether those convicted of murder for political reasons should be included.

Mr. Mandela told Mr. Baker in Windhoek that the ANC estimated the number of political prisoners at 350, while the government put the number at only 330.

On the subject of the 1986 state of emergency, Mr. de Klerk reportedly told Mr. Baker that there was a "problem of definition" of the term and whether those convicted of murder for political reasons should be included.

Mr. Mandela told Mr. Baker in Windhoek that the ANC estimated the number of political prisoners at 350, while the government put the number at only 330.

On the subject of the 1986 state of emergency, Mr. de Klerk reportedly told Mr. Baker that there was a "problem of definition" of the term and whether those convicted of murder for political reasons should be included.

ASIAN TOPICS

Mongolia Relaxes Big-Family Policy

After decades of telling women it was their patriotic duty to bear many children and populate their vast country, Mongolia is now putting the brakes on that policy. The Associated Press reports from Ulaan Bator, the capital, that children are overflocking the schools. Half the population is under 18 and could create a labor glut unless the economy develops more quickly.

Nursery schools can accommodate only one child in six, and kindergartens only one in three, according to the Communist Party newspaper Ulsan. In Ulaan Bator, where one-fourth of all Mongolians live, some schools operate three shifts.

When the modern Mongolian state was founded in 1921, there were only 649,300 people. The bigger-family policy began in the

1950s. Last year the population reached 2.09 million.

But this year, a new law went into effect that confirms women's rights to decide when and how many children to have. Abortions, previously restricted to women over 35 with four or more children, now are free to all. The new law also extends maternity leaves from nine months to two years.

Rewrite Clears Way To Film 'City of Joy'

Shooting will begin in September of the Roland Joffe film "The City of Joy," based on the 1985 best-seller of the same name by the French author Dominique Lapierre. Production had been delayed by official objections to the script's depictions of Calcutta's poor.

After the celebrated filmmaker Satyajit Ray intervened, the state government said "The City of Joy" could be produced in Calcutta provided the script was "reworked by an Indian author of repute and good knowledge of Calcutta."

Enter Sumit Gangopadhyay, a prominent Bengali-language poet

and playwright. He rewrote the script that had been fastidiously scrutinized by the Communist Party congress, peasants were organized and demoralized. The changes included granting land tenure of up to 30 years, lower taxes and abolition of compulsory quotas. Vietnam produced 18.2 million tons of food, mostly rice, in 1985, the year before agricultural policy was changed, and 20.5 million tons last year. It is aiming at 22 million tons next year.

"I do not think there should be any problem," Mr. Gangopadhyay said, "but at the same time it would be very wrong to say there will be no shots of poverty and decay. You cannot miss these two while filming in Calcutta."

Around Asia

Japan's Communist Party has no intention of changing its name as sister parties in Europe have done. The party president, Katsuyuki Miyamoto, said changes in East Europe had demonstrated the "failure" of Stalinism and Brezhnevism but not of socialism itself. The party has 500,000 members and its influence has been declining. In February it won 16 seats in the 512-seat House of Representatives, compared with 26 in the 1986 elections.

Vietnamese rice production is on a steady rise. Good weather helped, Reuters reports from Hanoi, but the increase was mostly

prompted by drastic policy revisions as part of liberal economic changes. Until the 1986 Communist Party congress, peasants were organized and demoralized. The changes included granting land tenure of up to 30 years, lower taxes and abolition of compulsory quotas. Vietnam produced 18.2 million tons of food, mostly rice, in 1985, the year before agricultural policy was changed, and 20.5 million tons last year. It is aiming at 22 million tons next year.

The Beijing zoo may be the only one in the world where you can eat wild animals as well as look at them—at least those that are not on the list of endangered species. The state-run restaurant that has been in the middle of the zoo for the last 34 years offers bear, beaver, squirrel and antelope. The meat comes from outside the zoo. "Of course we don't slaughter any of the zoo animals," a spokeswoman said. The eating of exotic meat is not uncommon in China, where dishes such as monkey, dog, snake and rat are favorites.

Arthur Higbee

Research Promises New Blossoming of Bamboo's Many Uses

By Natalie Angier
New York Times Service

NEW YORK — In a significant advance for the cultivation of one of the world's most important timber and food crops, scientists said that they had coaxed bamboo plants to flower in the laboratory, a feat never before managed.

Bamboo in the field can take more than a century to flower and produce seeds.

The new technique will allow botanists to breed a better version of a plant that has undergirded the economies and cultures of Asia and many tropical nations for hundreds or even thousands of years.

And it should allow faster replacement of depleted bamboo forests that are vital to local economies.

"This is a spectacular success for the breeding of bamboo," said David Hanks, a botanist at the University of Cambridge in England and the author of an editorial that accompanied the report

published Thursday in the journal Nature.

"It's a breakthrough that could have real significance for a quarter of the world's population."

In many Western nations, bamboo is viewed largely as an ornamental foliage.

But in China, India, Japan, Malaysia, parts of Latin America and other regions where bamboo is abundant, it provides a vital source of lightweight, rot-resistant material for the construction of houses, smaller public buildings, furniture and the scaffolding that is used in the building of skyscrapers and superlaters.

Bamboo reeds are crafted into musical instruments, artists' tools, baskets and domestic goods of all kinds.

They are pulverized for paper pulp. With four times the protein of other fodder grasses, bamboo hay is a dietary staple for livestock.

"In those regions where bamboo is common, the plant is a godsend," said Beecher Crampton, professor emeritus of

agronomy at the University of California at Davis. "It's hard to overstate its importance."

The new technique should allow botanists to fashion novel hybrids of bamboo that will grow faster, resist diseases and yield a stronger, more versatile wood.

Beyond its economic value, the promise of regenerating forests also may benefit the endangered giant panda, which feeds on the reedy plant in the fast-disappearing bamboo wilderness of northeast China.

Scientists estimate more than 500 species of bamboo are in the warmer regions of the world.

The most spectacular examples of the plant, a member of the grass family, are found at the southern and southeastern edges of Asia, where lush yet delicate canopies of bamboo reach heights of 130 feet (39 meters).

But the quirks of bamboo reproduction have made the plant almost impossible to cultivate or to improve genetically.

Most species flower and produce seeds only once in their lifetimes, after growing from 12 to 120 years, the longest generation time on average in the plant kingdom.

A forest of bamboo usually flowers simultaneously, a phenomenon called masting. After flowering, the forest dies en masse, often within a single season.

Left behind is a blanket of seeds that can be 20 to 30 inches (51 to 77 centimeters) deep, setting the stage for new growth.

Before flowering and perishing, a bamboo tree also can reproduce asexually by sending up underground shoots, known as rhizomes, which are genetic clones of itself.

Because the normal seed generation time is so long, botanists in the past have been unable to mix together the genes of different plants and to call superior offspring; a researcher may reach retirement age long before the bamboo in the lab has reached its moment of flowering.

Nor can the seedless clonal rhizomes be used to breed new hybrids.

To solve the problem, A.F. Mascarenhas and colleagues at the National Chemical Laboratory in Pune, India, devised a test-tube cocktail enriched with plant growth hormones, coconut milk and other nutrients that spurs young bamboo plants to flower prematurely.

The researchers suspended two species of bamboo in the broth for several weeks. The bamboo slips, measuring only a few inches in length, began sprouting flowers a half inch (12.8 millimeters) or so in diameter, the size of adult blossoms.

Under natural conditions, botanists said, the two bamboo species in the experiment would not flower until they were about 30 years of age and 30 to 60 feet (9 to 18 meters) tall.

So well did the technique work that 60 percent of the approximately 200 odd shoots propagated healthy-looking seeds about two weeks later, a success rate that botanists said was astonishing.

BANK: Looming Symbol

(Continued from Page 1)

dows of surrounding buildings to deflect the evil that is supposed to emanate from the bank.

Following the advice of a feng shui expert, a willow tree was planted in the garden of the official residence of the governor of Hong Kong to counteract the bank's alleged evil influence.

Neither the bank nor Mr. Pei consulted a feng shui expert, but Mr. Finney said every business in the building had brought in its own experts.

"We're hearing that the overall feng shui inside the building is good," he said. "It's just the people outside the building who have to worry."

Rents at the Bank of China are 10 to 20 percent below market price, and some property managers say one reason is that the floors inside are strangely shaped, ending in points and angles.

"It looks grand on the outside, but it's hopeless inside," a manager said.

Mr. Pei says that while the floors are irregular, "in an office building what you really need are windows, and this building has windows and views everywhere."

He said he designed a tall structure because it was the only way to maximize the space available.

But, he added, "The second reason the building got higher is that anything less would not be seen."

He said the Chinese gave him "the simplest brief" he had ever received for such an important building.

"Basically they just left it to me," he said.

In Hong Kong, business often takes precedence over pleasure and politics. And Mr. Finney said that companies did not shy away from the building, even after China violently repressed pro-democracy demonstrations in Beijing last June.

Mr. Pei called the military crackdown in Beijing "an absolute tragedy."

But the building has tenants, including foreign banks and securities and real-estate concerns. Five of the smaller upper floors remain to be rented.

Nonetheless, emotions were high last June, and the Hong Kong Chinese, stunned and angered by the crackdown, staged a run on Bank of China offices in Hong Kong, emptying cash machines in hours and then lining up to withdraw their money.

Liberal political leaders in Hong Kong finally were forced to ask the residents to stop their withdrawals because the entire local banking system was in danger.

A Hong Kong banker said the Bank of China now affirmed that its operations were back to normal.

SOLDIERS: Lithuanians Seeking Shelter From Abuse by Soviet Army

(Continued from Page 1)

declaration on statehood, and more and more are coming to us for help."

The new Lithuanian leaders seem unsure about how to deal with the nearly 35,000 Lithuanian soldiers caught outside the republic's borders when independence was declared, and they have been waffling in their strategy.

At first the leaders invited all their soldiers to come home immediately. Then, realizing that such a move could be interpreted by the Soviet authorities as a provocation, they appealed to the soldiers to remain with their units while the new government negotiated with the Kremlin.

But in a meeting this week with

the commander of the Baltic Military District, Vyntas Landsbergis, said Lithuanians would not be reporting for the spring call-up next month.

And the authorities in Lithuania show no signs of enforcing a Moscow order that deserters return to their posts by Saturday. They have also said they will continue to protect all those who come to them.

By early morning, the line begins forming outside the commission's office at the Lithuanian Supreme Soviet. There are young men in stiff new uniforms, who say that as citizens of an independent Lithuania they want to serve in a Lithuanian army, not a Soviet one.

There are teenagers with short

hair, some with bruised faces or broken bones.

There are mothers and fathers who say they are worried that their sons will come home from the army physically or emotionally wounded, and recent high school graduates who say they are afraid to answer their call to the draft.

There are also frequently military officials looking for soldiers who have disappeared from their posts or failed to return after vacation. Usually the officials come in civilian clothing, but their interest in specific cases gives them away.

"The only information we give them is whether we have sent a telegram on behalf of someone," said Liudvika Pociuniene, a commission volunteer. "We won't tell

them when the kid came or anything else."

"But we also tell the kids that they have to be on their guard. They should not stay at home; they should never be alone. Maybe they should spend some time in the country and keep a low profile. Unfortunately, we cannot protect them if the army comes knocking at their door."

The head of the commission, Dalia Taralene, said the work had become far more difficult since the Lithuanian parliament voted to restore independent statehood and to suspend the Soviet Constitution in Lithuania.

Before, she said, she had developed an unofficial understanding with the Soviet military authorities: They would routinely approve the commission's recommendations for soldiers to be hospitalized or transferred to new posts in the Baltic republics, and the commission would assume all responsibility for the young men.

From May 3, when the commission began its work, until March 1, Mrs. Taralene said, about 1,500 cases were handled.

In that period, Mrs. Taralene said, there were 167 deserters, 55 of whom were found by doctors to be suffering from severe trauma or emotional problems and placed in psychiatric hospitals.

"Now, Soviet laws are not valid here," she said, her conversation continually disrupted by mothers knocking at her door or telephoning, seeking advice. "There are still no new Lithuanian laws and our hands are basically tied trying to do something concrete to help these poor boys."

LITHUANIA: Gorbachev Keeps the Pressure On

(Continued from Page 1)

insulting individuals, the Soviet Army and government agencies and creating an atmosphere of irresponsibility and impunity for offenders.

Tass said additional prosecutors had been sent from Moscow to Lithuania, but it did not say whether the intention was to replace Lithuanian prosecutors.

Reluctant Displeasure

Daily Hoffman of The Washington Post reported from Washington: President George Bush reluctantly expressed displeasure on Thursday at the decree that Lithuanians surrender their arms, but he insisted that he would not be drawn into the conflict.

At a White House news conference after a two-planning ceremony, Mr. Bush was asked about Mr. Gorbachev's orders directing Lithuanian citizens to surrender their arms and instructing local authorities to tighten border checks.

"I wouldn't put that down as peaceful evolution," Mr. Bush said, alluding to his own repeated appeals to Mr. Gorbachev to work out his differences with Lithuania.

Earlier this week, the White House warned Mr. Gorbachev against using intimidation against Lithuania, but on Thursday, with the exception of his own comment expressing displeasure, the president steadfastly refused to be drawn into the dispute.

"I would prefer to put emphasis on his statement that there will be no use of force," Mr. Bush said. "And that's where I'm going to keep the emphasis and keep reminding every party to this discussion over there, no use of force. Peaceful evolution."

Pressed on how he would react to a Soviet crackdown on Lithuania, Mr. Bush said, "Too hypothetical. Stop right there. I am not going to make an answer to a hypothetical question of that nature."

"What possible good would come from the president of the United States standing half way around the world speculating on something that he doesn't want to see happen?"

TIME: Clocks Awry

(Continued from Page 1)

munty's executive commission, has had little success in "harmonizing" hours, other than to get everyone to agree to put their clocks forward on the same day, the last Sunday in March.

Setting them back again in the fall is unharmonized. The continent does so on the last Sunday in September; the United Kingdom, Ireland and Portugal on the fourth Sunday in October.

The EC directive on harmonizing the summer time change expires at the end of 1992. By next year, therefore, the commission must come up with proposals for a new arrangement to coincide with the start of the European single market in January 1993.

The opening of the Channel Tunnel might be just the spur needed to get the British and their continental partners to synchronize their watches.

Mrs. Royal said she had not realized how simply many people felt about the subject until bulging postbags started to arrive.

People who start work when the sun is already high in the sky enjoy the late, light evenings, she said. Farm and construction workers, who have to begin their day in darkness, are strongly opposed to the clock changes. One farmer's wife grumbled that a fox ran off with her chickens because they could not be persuaded to go back into their coop at the normal hour.

FRIENDS: Poles Feel Warmer Toward Soviet Troops

(Continued from Page 1)

Soviet-imposed communism is merely the most recent chapter. Their history has separated the Poles from other neighboring nations in Eastern Europe.

In Czechoslovakia and Hungary, new leaders have demanded that the Russians go home immediately. Before cheering crowds, the Soviet Army has begun to pack up and move out of both those countries.

But the Solidarity prime minister of Poland, Tadeusz Mazowiecki, has invited the Soviets to stay on until "the German problem" is resolved.

Legia is headquarters for the Soviet Union's Western Theater of Military Operations. From here, according to a plan devised in the early 1980s, the Soviet high command could coordinate a Warsaw Pact offensive involving Soviet troops in East Germany and across Eastern Europe, as well as supporting air forces and the Baltic fleet.

To provide for their command center, the Soviets occupied schools and a hospital building. They built their own movie theater, shops and housing. They have their own prosecutor's office and their own court.

Under a 1957 agreement, the Soviet Union is supposed to reimburse the Polish government for the cost of their upkeep. But for decades that agreement was ignored, and the Polish government, in effect, subsidized the presence of an occupying army.

For many Soviet soldiers and their families who come to Legia on five-year assignments, this has meant they can afford a more comfortable life than in the Soviet

Union. Soldiers and officers receive two salaries, one in Russian rubles, one in Polish zlotys. They bank the first and spend the second to buy whatever good life Legia has to offer.

"You eat better here than in Russia," said a 25-year-old Soviet helicopter pilot who has been stationed in Legia for nearly five years. "And it is quiet to live now with the German complication. I think that Poles have a fear in their soul."

The presence of the Soviet Army in western Poland, a total of about 40,000 soldiers, has been an irritant for decades. Overflights by low-flying military aircraft have annoyed residents.

A Polish general, Mieczyslaw Dabicki, said last month that Soviet soldiers had been involved in crimes and offensive behavior but had been allowed to remain above Polish law. The Polish government plans to address these complaints in talks with the Soviet Union about the financial terms of its military presence.

But after 36 years of relatively benign occupation, the Soviet military has managed to remove some of the prejudices that Poles traditionally have against Russians.

It helps that, in most cases, Poles and Russians can understand a bit of each other's language. And local merchants have grown dependent upon the millions of zlotys that the soldiers and their families spend on clothes, food, cosmetics and appliances.

But the Soviets have won hearts and minds by opening the doors of their military hospital.

"The Russians are extraordinary. They are really terribly warm

to me," said Lucyna Borowiczka, 29, a woman from the nearby city of Wroclaw. "I don't have words enough to say how good they have been."

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

She has undergone three eye operations at the Soviet hospital in Legia and is awaiting a fourth. All the operations are performed free of charge. Without them, she says, she would be blind.

Good News...Bad News

What's good for you? What's bad? Medical research does not always give clear-cut answers. Here are summaries of some recent studies of the most common issues, as taken from press reports:

Aspirin

Pros: Relieves common daily aches and pain. Helps prevent a second heart attack. Reduces the risk of stroke.

Cons: Causes gastrointestinal symptoms. Increases the risk of kidney cancer and heart disease. Blood thinning properties are dangerous to ulcer patients and pregnant women approaching term.

Acetaminophen (largest selling brand is Tylenol)

Pros: Helps relieve common daily aches and pain without the common side effects of aspirin.

Cons: May lead to kidney disease.

Coffee

Pros: May protect against certain kinds of cancer (cancer of the rectum and the colon). Older couples who drink coffee appear to be more sexually active than elderly noncoffee drinkers.

Cons: Bladder cancer may be related to coffee drinking. Decaffeinated coffee can increase blood cholesterol levels, increasing the risk of heart disease.

Wine

Pros: May help with grippe, gout, allergies, anemia, sore throat, bronchitis, constipation, fever, obesity.

Cons: Can lead to alcoholism.

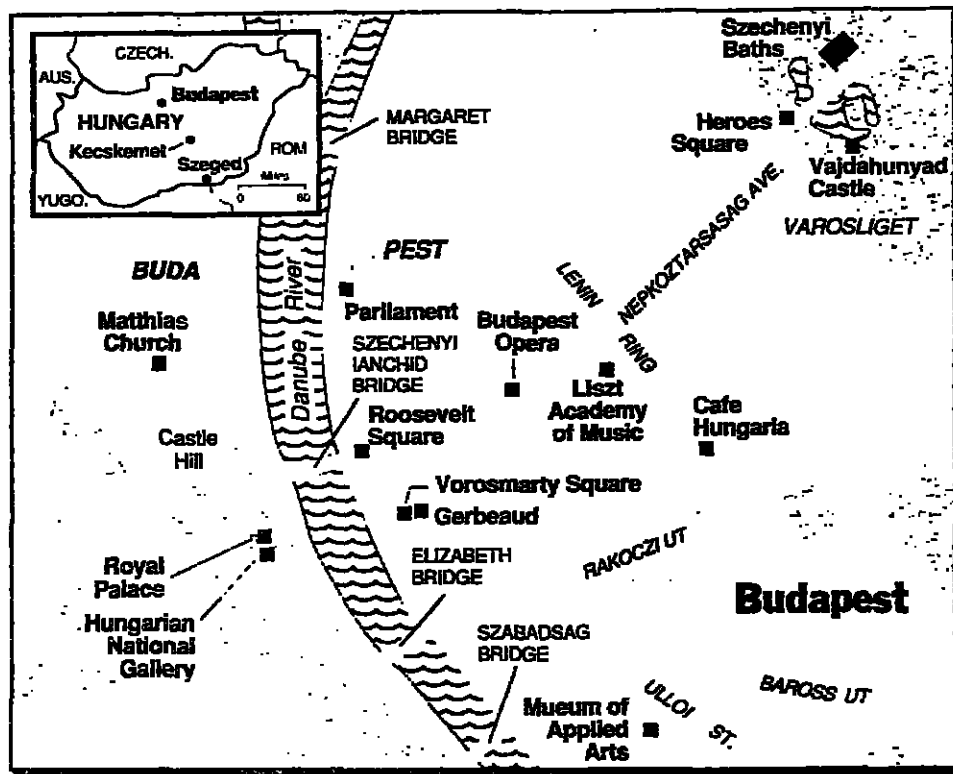
TRAVEL

- ☐ Driving in East Europe
- ☐ The Other Argentina
- ☐ Paris Seafood

International Herald Tribune



Vaci Street, Budapest's main shopping thoroughfare, left; an Art Nouveau grill inside Zsigmond Quittner's Gresham building on Roosevelt Square built in 1904-06 as the headquarters of a British insurance company, center; and detail from a balcony of Vajdahunyad Castle.



The Grand Design Of Old Budapest

A City of Fin-de-Siècle Glories

by Celestine Bohlen

BUDAPEST — If each city has its niche in time, then the turn of the century is where Budapest naturally belongs. It has the boulevards and the opera, the cafes and the trams, the public gardens and private villas.

And now, as another era and another century come to a close, it is showing signs of the same freneticism and languor, the same eagerness to do business and seek pleasure that characterized its golden age in 1900.

Visitors will catch on to this right away. In the lobbies of their hotels, businessmen peck away at calculators, signing contracts, making deals. But around the marble-topped tables of the ornate pastry shops, or in the evening, standing beneath the gold splendor of the Budapest Opera, or by the stylized frescoes of the Academy of Music, Budapest's urbane citizenry indulges itself, as it did a century ago.

The luxurious items in Budapest's shop windows give the city a prosperous air still unmatched in other East European capitals, although far from all Hungarians can afford them. The city is filled with monuments to the previous fin-de-siècle, some grandiose

and imperial, others more whimsical and decorative.

Many of those in the first category were built to coincide with 1896, the 1,000-year anniversary of the arrival of the Hungarian people in the Carpathian Basin.

The millennium was greeted with a remarkable explosion of public building: the neo-Gothic Parliament on the banks of the Danube, the Royal Palace on a hillside across the river in Buda, Heroes Square, with its statue honoring the seven Magyar chieftains who led their people here in 896, and the rebuilding of Matthias Church on Castle Hill.

All these projects and more were timed for the great celebration, which was presided over by Franz Josef, the last great emperor of the Austro-Hungarian Empire. But on the heels of this bombastic building spree came socialism, artistic outburst, known as Hungarian Art Nouveau. In Budapest, this subjective style was quickly adapted by artists and architects looking to express their Magyar culture, but in a modern way.

It is this peculiarly Hungarian combination — blending stylized Transylvanian folk art with the undulating

Continued on page 9



Eastward Ho! How to Go

Checking passports at the Brandenburg Gate: From Berlin to Prague, Americans are discovering East Europe in record numbers as visa and customs procedures loosen. Page 9.

TRAVELER'S CHOICE

Eye on the Sky

Some resorts talk up their health spas, tennis courts and in-room safes. The Hyatt Regency Maui in Hawaii vaunts its telescope with a computer programmed to locate and identify planets, star clusters, nebulae and galaxies. The rooftop telescope atop the hotel's nine-story Lahaina Tower has stereo eyepieces that remain stationary no matter where the telescope is trained and a chair that can be raised and lowered.

Copenhagen's Royal Platters

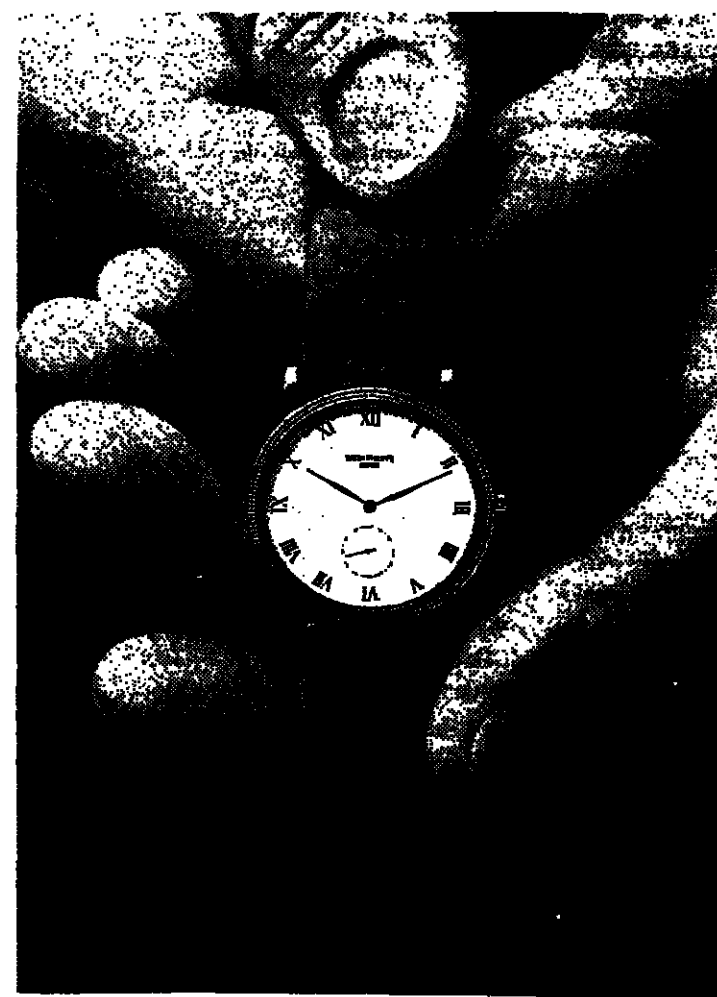
Visitors to Christiansborg Palace in Copenhagen this summer will for the first time see two tables of the original Flora Danica service, the largest single 18th-century porcelain service of any royal household in Europe. The collection will be put on display from May 24 to Sept. 30 by Queen Margrethe to mark her 50th birthday.

Sailing Inside France

Travelers who wanted to explore France by water used to be limited to canal barges. That changed last year when six-night cruises were offered on the Seine through Normandy to Paris aboard the 100-passenger Normandie, a small cruise ship. They were so successful that an American tour operator has helped form a cruise line to continue the trips in 1990 and add seven-night cruises on a similar river vessel, the Arlene, through Provence and Burgundy. The Seine trips will sail between Hooft at the mouth of the river and Paris, visiting Rouen, Caudebec and other towns, between April 7 and Oct. 18. The Provence-Burgundy cruises on the Rhône and Saône Rivers are from Avignon to Mâcon, calling at Arles, Viviers and Lyon, among other towns, and will operate March 31 to Oct. 27.

WHEN you first handle a Patek Philippe, you become aware that this watch has the presence of an object of rare perfection. We know the feeling well. We experience it every time a Patek Philippe leaves the hands of our craftsmen. You can call it pride. For us it lasts a moment; for you, a lifetime.

We made this watch for you — to be part of your life — simply because this is the way we've always made watches. And if we may draw a conclusion from five generations of experience, it will be this: choose once but choose well. A Patek Philippe — because it's for a lifetime.



PATEK PHILIPPE
GENEVE

Patek Philippe S.A.
41, rue du Rhône — 1211 Geneva 3 — Switzerland

Swedish Skiing With — Yes, Real Snow!!

by Errol G. Rampersad

ARE, Sweden — As Europe basked in its mildest winter in decades, prompting ski resorts in the Alps to write off the season as a lost cause, skiers and their families from all over the Continent have been flocking to Scandinavia to make the most of their annual winter holiday.

The Swedish resort of Are, noted for several alpine World Cup events, has emerged as one of the most popular attractions for the ski enthusiast. Last weekend, it was the venue for the World Cup alpine skiing championships in women's super giant slalom, men's downhill and men's and women's parallel slalom.

Its convenient location, high up in the mountains of mid-Sweden and only a 2-hour drive from picturesque Trondheim in Norway, makes Are ideal for family winter vacations.

We chose to take advantage of the unusually sunny weather in the otherwise dark and

dismal Swedish winter and opted for driving the 1,000 kilometers (600 miles) to the village of Are, located in the province of Jämtland, which is famed in ecology-conscious Scandinavia for its sparkling lakes and clean mountain air.

Leaving Stockholm, we journeyed north to the medieval city of Uppsala. One hour's drive away from the capital, this ancient university town, founded in 1477, today is a modern center for scientific research.

Traveling along the E-4, the main artery from Stockholm to Sundsvall, allowed us to take in some of the coastal scenery. From there, we took the E-75 to Are, passing through Östersund, the gateway to the Swedish fjällar, a vast expanse of mountainous terrain that serves as both a summer and winter getaway for Scandinavians.

The traffic into Are is unusually heavy toward the end of February since this is when most of Sweden — and the rest of Scandinavia — has its annual *spärlöv*, a week off from school for winter sports. Once there, it is easy to understand why the cars, packed with families, were all heading to Are

and the neighboring ski villages of Duved and Tegefjäll. The area is deservedly the most popular in Scandinavia and rivals anything to be found in the Alps.

The hub of activity, though, is the Sunwing Are hotel complex, a few minutes walk from the village of Are, where shops of every variety cater to the happy wanderer.

Just across the main street from the 11th-century wooden church in the center of the village is a cable car that takes skiers up to the slopes. It is so centrally located that it is not unusual for shop assistants to get in a few ski runs during their lunch break.

The fulcrum of activity shifts noticeably to Sunwing around the 4 P.M. sundown, starting with the *après ski* crowds that throng the Ripan bar and coffee shop for a late afternoon session of song and dance, before moving on to an intimate dinner in Thyra's Krog, known for its regional fish specialties, or to the main restaurant, where friends and family settle down to the delicacies of a

Continued on page 9

TRAVEL

Nuts and Bolts of East Bloc Travel

by Brian F. Hayes

FROM the East Berlin side of the Brandenburg Gate to Wenceslas Square in Prague, Americans are discovering Eastern Europe in record numbers, particularly as the changes in governments there have led to the loosening of visa and customs procedures.

However, the resulting confusion at border crossings and crowds in consulates may still mean lost time, effort and frustration for travelers.

Some travel agents and State Department officials expect the projected flood of Western tourists, especially this summer, to overwhelm some bureaucracies.

Like the political and economic reforms, changes in immigration and customs laws vary considerably from one country to another. And there seem to be new changes almost daily, tour operators serving the area note.

The following is a roundup of current visa requirements and currency regulations in Eastern Europe.

East Germany

Since the breaching of the Berlin Wall, the East German government has abolished the requirement that foreigners convert the equivalent of \$15 to East German marks for each day spent in the country.

Importing and exporting East German marks remains illegal, but it is unclear whether visitors can convert unused marks back to hard currency. Visitors who plan to return still have the option of depositing money in special bank accounts, good for one year, for use the next time they visit the country.

To avoid problems, money should be changed in small amounts and only at official exchange offices. With rates at these offices improving (3 East German marks to each West German mark; earlier it was one to one ratio) the black market, and its legal risks, is becoming less attractive.

Visa regulations have emerged intact from the political upheaval. To get a visa valid for more than 24 hours, visitors must first make hotel reservations or, if they intend to stay in a private residence, apply for special permission from a travel agent or the East German Embassy.

The government permits free travel throughout the country, but travelers must stay in the hotel or private residence that they listed on their visa application.

The only exception to the rule applies to drivers between West Germany and Berlin using transit visas, obtained at border crossings, who must remain on routes marked "transit."

Customs laws remain essentially unchanged, but travelers are reporting less strict enforcement. State Department officials expect bureaucratic confusion to per-

sist until some time after a permanent government takes office.

Travelers are still prohibited from taking antiques and certain luxury items, such as crystal, optical equipment and jewelry, from the country, but restrictions on printed matter seem to be easing.

Poland

Like East Germany, Poland has dropped its minimum daily currency exchange requirement. Travelers are still forbidden to import or export zlotys. It is also impossible to



Customs section at Okecie airport in Warsaw.

convert unused zlotys back into hard currency, so visitors are advised to change money in small amounts as needed.

Although immigration and customs officials may be spending less time examining documents and searching for contraband since the old regime relinquished power, travelers are saving little time.

Whether arriving in Poland by car or air, visitors are still met with long lines at entry points. "Just because the politics and the economy have changed doesn't mean the country isn't still run by an army of bureaucrats," said an American official.

At Okecie International Airport in Warsaw, the congested arrival point for virtually all international flights into Poland, the adventure begins at the baggage conveyor belt, for travelers receive no indication as to which belt their luggage will appear on.

After clearing passport control and retrieving their bags, travelers must tackle the currency declaration forms, often provided only in Polish. Customs has improved slightly under the new government.

Those travelers carrying only money, cigarettes, cameras, electronic gear, gifts and other personal items may use the line marked "Nothing to Declare."

When leaving the country, travelers should be careful to avoid taking out any antique, work of art or book without a receipt stating its date of production. It is illegal to remove any such item produced before 1945 without official permission.

Visa applications take about two

weeks to be processed, but consulate officials suggest allowing extra time. Visas, which are good for up to 90 days, are issued for specific lengths of time, so travelers should indicate how long they intend to stay.

Czechoslovakia

Czechoslovakia, which has been issuing most visas without much difficulty in recent years, has further simplified the process, especially for former Czechoslovak nationals, a group that had often encountered problems in the past.



Customs section at Okecie airport in Warsaw.

Under regulations that took effect last year, travelers may obtain visas valid that day at four locations along the border. Visitors entering from Austria can get visas valid for up to 30 days and costing \$30 at Dolni Dvůr, Hala and Petrálska; those entering from West Germany can get them at Rozvadov.

To avoid lines, however, State Department officials still suggest applying for visas at a Czechoslovak embassy, either in person or by mail, before leaving for a trip. Allow several hours' wait at an embassy or several weeks for the mail.

Czechoslovakia still requires a minimum daily currency exchange, so be prepared to change about \$15 a day.

Changing more than the daily minimum will qualify a visitor for a more favorable exchange rate, but it may take a long time to convert unused crowns; carrying crowns across the border, either in or out, is forbidden.

Travelers entering the country must also declare any large amounts of foreign currency. Vladimir Bartá, a director of Czechoslovakia's Ministry of Tourism and Commerce, said visitors showing a credit card — they need not promise to use it — exempted them from the obligation to change any amount at the lower rate.

Customs laws, which seldom posed serious problems to travelers in the past, have remained nearly unchanged.

Although the Bulgarian customs officials are still fairly thorough, travelers are reporting that the process is more relaxed and less time-consuming than in the past.

It is wise, however, to save all receipts as proof that an item was bought with money changed at official agencies.

Romania

Until the new political leader-

ship stabilizes, travelers should be prepared for the possibility of changing regulations and confusion among officials.

The State Department advises Americans to exercise caution. The situation had stabilized and no Americans had been threatened, the department said in a Jan. 15 advisory, but it added that there is a potential for random violence.

Americans are advised to check with the United States Embassy in Bucharest.

The new government has eliminated the daily minimum currency exchange requirement, and travelers can now convert any leftover lei back into hard currency.

As before the revolution, travelers may obtain visas at the border valid the same day, good for up to 30 days, for \$21, or through the mail from an embassy.

Travelers are also subject to fewer intensive baggage inspections and are less likely to be denied entry.

Hungary

For years Hungary has had some of the easiest entry procedures in Eastern Europe, and recent reforms should have little, if any, effect on acquiring visas. Travelers can obtain visas at the airport or at the border, if traveling by car or bus.

Those wishing to enter by train must procure a visa in advance from any consulate, embassy or Inasz tourist agency office, which usually takes only 48 hours. Prices range from \$15 for a 30-day, single-entry visa up to \$50 for multiple entry, good for six months.

Hungary does not require a minimum currency exchange, but does enforce some currency restrictions.

Travelers are limited to 100 forints (about \$3) when entering or leaving the country and must declare any large amounts of Western currency.

Customs has seldom been a problem for Western tourists, and should not be now.

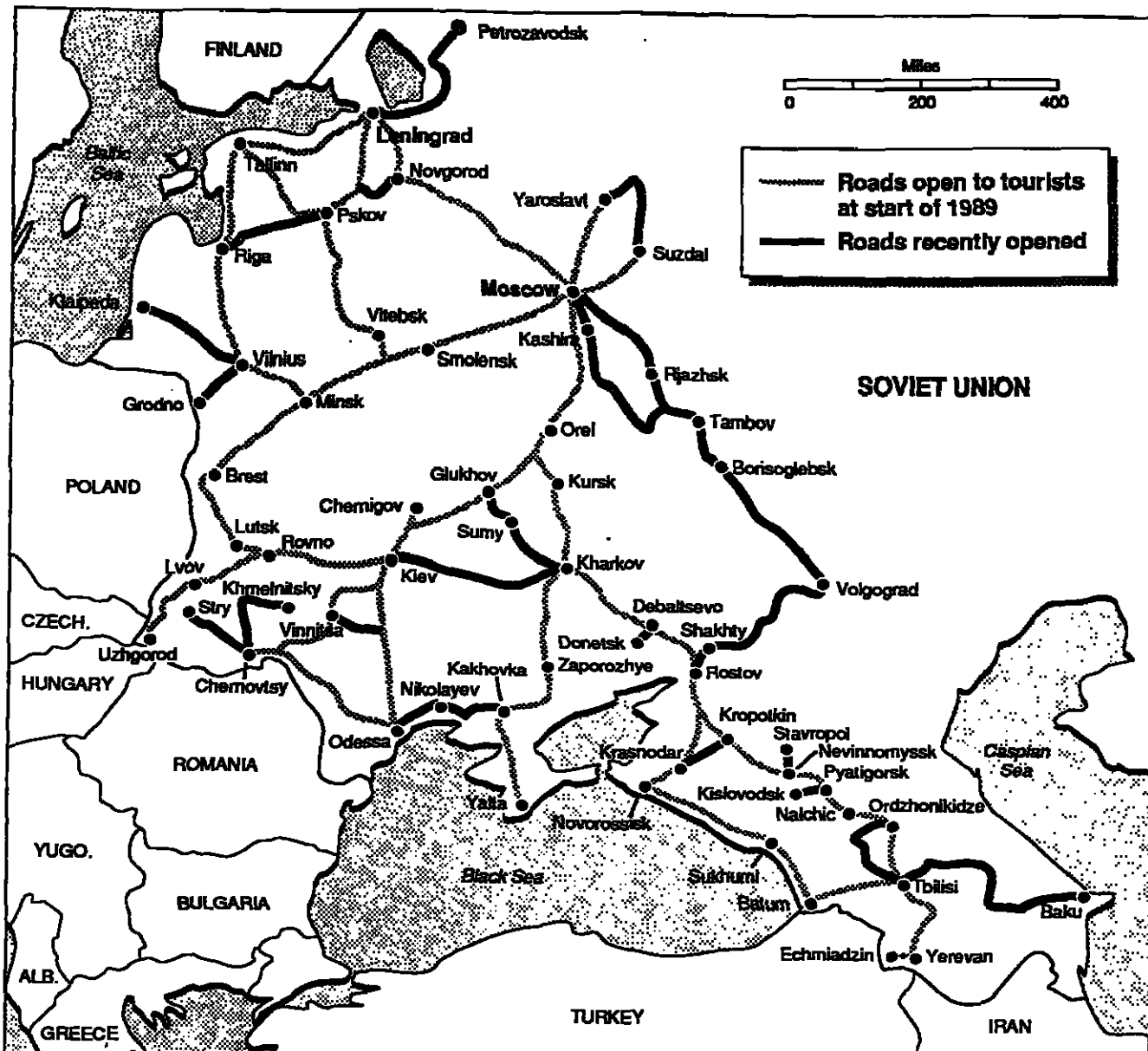
Bulgaria now offers travelers the option of obtaining visas at the border, rather than requesting them through the mail; they are valid for up to three months from the date of issue.

A regular visa, ordered by mail, takes about seven days and costs \$19, while visas obtained at the border and express visas, which can be processed within 24 hours, cost \$38. Organized tour groups and children traveling on a parent's passport do not require visas.

Although the Bulgarian customs officials are still fairly thorough, travelers are reporting that the process is more relaxed and less time-consuming than in the past.

It is wise, however, to save all receipts as proof that an item was bought with money changed at official agencies.

© 1990 The New York Times



Hit the Roads, Watch the Rules

by Betsy Wade

NEW YORK — "Every day brings changes," said Alexei N. Mesiatsev, the deputy general director of Intourist in New York, "not just in opening roads but in our societies."

Asked how many miles of road in the Soviet Union were open to drivers from the West at the end of February, he smiled wistfully, implying that it was difficult to say. For those who want to drive in the Soviet Union or elsewhere in Eastern Europe, change is indeed rapid.

As an example, by last summer, 8,700 miles (14,000 kilometers) of roads in the Soviet Union were legally open to Westerners on tour buses or driving their own automobiles or rental cars.

At the end of November, Intourist said that an additional 3,970 miles were open. Some of the roads were spur routes to accommodate a drive of under a day, but one — from Moscow to Rostov — was longer than 900 miles.

A year ago, Mesiatsev said, an entry point in Turkey between Karaman and Samsat, Soviet Georgia — along the Black Sea coast south of Batumi — opened and had proved popular with Western visitors. This was in addition to crossing points from Finland, Poland, Czechoslovakia, Hungary and Romania.

Mesiatsev said that Westerners would not have difficulties using the routes into the Baltic republics that were opened earlier, but one result of *glasnost* is that rules and guarantees that once carried the imprimatur of a powerful central government may now be less absolute.

Border crossings are a two-way matter, and while the gate may be open on the Soviet side, the country on the other side may not always allow traffic through. Anyone planning to drive into Eastern Europe or the Soviet Union should check the most recent information before setting out.

An informal poll of some U.S. car rental

companies with affiliations in Western Europe points up this advice. Not all companies will let you drive their autos into Eastern Europe; in some cases it depends on the model you rent. The insurance you buy in one country may be void in others.

In any case, every rental official said that if the car breaks down in Czechoslovakia, for example, no one is going to send a tow truck from Vienna to help you out. You will have to get the car fixed as best you can and battle it out when you get back.

Itineraries should be completed before you reserve, because the companies will want to know where you plan to go with their auto. You may not be able to go where you want to go, or your destinations may affect the type of car you get, the sort of insurance you must carry and the documents you must receive.

Auto rental agencies in the United States and travel agencies keep up to date on local rules and changes through contact with European branches. Having your plans checked ahead of time is the best way not to be surprised.

Vicki Farrell of Auto Europe in Camden, Maine, a broker for European rental companies, said agencies in Western Germany might refuse to rent a luxury car to people who wanted to drive in Eastern Europe and even some places in Western Europe because of high theft rates.

An auto reserved in Vienna, she said, can be driven into Czechoslovakia if extra insurance is bought but not into Bulgaria, Romania, Turkey or the Soviet Union. Such restrictions also apply in other places.

"We try to tell the customer or the travel agent if they don't ask," Farrell said. "For example, if the travel agent is reserving a car in an area near Italy, we tell them our companies will not let you drive a Mercedes 300 into Italy because the theft rate is so high that the insurance won't cover."

Farrell pointed out one further consideration. "Any car we rent in Germany, Austria,

Switzerland and Greece will need unleaded gas," she said.

"And the cars you get in Belgium are increasingly for unleaded gas."

Unleaded gas is not too easy to find in Eastern Europe, and a driver may be better off with a car that uses leaded gas.

Auto Europe, which is linked mainly to EuroCar but has ties to other companies and to the European divisions of American companies, has rental agencies in 13 places in Yugoslavia and in Budapest and Moscow, in addition to its places in Western Europe.

KEMWEL has agencies in four cities in Yugoslavia as well as in Budapest and Warsaw. The agency has no restrictions on driving its autos into other Eastern European countries.

With many agencies, Vienna is a big jumping-off spot for Eastern Europe. Hertz plans to open an outlet in Moscow in the spring and now rents in Tallinn, the capital of Estonia, as well as in Bulgaria, Czechoslovakia, East Germany, Poland, Romania and Yugoslavia.

In January, Hertz agencies in Bulgaria, Czechoslovakia and Hungary were added to the Affordable Europe program, which offers lower rates for rentals of two weeks or more between April 1 and Oct. 14.

No Hertz car may be driven from another country into Turkey, Morocco, the Middle East or the Soviet Union.

Avis, which operates through Intourist in Moscow and Leningrad, will not usually allow a car rented elsewhere to be driven into the Soviet Union and does not accept reservations for cars to be rented in the Soviet Union and dropped off outside the country.

For trips elsewhere in Eastern Europe, Avis has agencies in Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania and Yugoslavia.

It is possible to rent a car in all of these countries except Romania and leave it at an Avis agency elsewhere.

© 1990 The New York Times

Real Snow!!

Continued from page 7

smörgåsar and savor the likes of local elk steak and roast venison.

Sunwing has earned a reputation in Scandinavia — and to a considerable extent in their operations abroad — for successfully combining the resort and business aspects of the hotel trade. Perched atop what was once known as the village of Totien, the complex contains 224 rooms and self-contained conference facilities for 8 to 10 groups meeting simultaneously.

"We feel that businessmen can benefit from combining their conferences with a few hours on the slopes or a session in the sauna," says Lars Orre, manager of Sunwing. "But this should not detract from catering to the vacationing family. We offer a wide choice of activities, for adults and children, and this tends to leave parents free to plan their day."

A rare feature at Sunwing — and one of its main architectural attractions — is the walkway to the slopes. A bridge from the fourth floor leads directly from the sauna to the ski lifts.

Among the events at Sunwing are ski classes in the MiniClub for children 4 to 9 years old, Club 13, for 10 to 13, and Club 18 for 14 to 18. Once a week, the hotel's personnel constitute the cast for an evening of cabaret.

"Sunwing Are is the only one of its kind north of the Mediterranean," says Hakan Bergström, marketing manager of Sunwing, a leisure group division of SAS, the Scandinavian Airlines System. "Even though the majority of Sunwing guests are still Scandinavians, the holiday concept is attracting an increasingly international clientele. In addition, the Hotel 33 has proved to be a successful formula that Sunwing is planning to expand upon."

Hotel 33 caters exclusively to people between the ages of 18 and 33, and there are



The Sunwing Are Hotel at Are, Sweden.

three of them among the 13 hotels that the group operates in 13 countries.

"Are has all the things that appeal to the young ski enthusiast," says Andreas Ulmeier, a graduate student from the Royal Technology Institute in Stockholm and an avid winter sportsman. "The facilities are modern and within easy reach. In many ways, this makes it more attractive to me than the resorts I have been to in other parts of Europe, where lift lines tend to be long and slopes are overcrowded. Besides, with our short winter days, night skiing in Are is an added attraction that few resorts can match."

But Are and Sunwing are not limited to winter vacations; summer in the *fallen* also has its attractions. As the snow gives way to the midnight sun, the slopes of Totien become hiking trails for the nature lover. The frozen lakes thaw out into gleaming waterways and towering pines are verdant again, creating a backdrop for some of the most

breathhtaking scenery in the world, on the fringes of Lapland.

As for sports, an 18-hole golf course will be completed this year, Orre said, stressing the advantages of golfing "late into the night" during the long summer days.

As far removed as it is, Are is readily accessible by public transport. There are direct trains to the village center from Stockholm, Göteborg, Malmö and other major Swedish cities.

By air, there are direct flights from many large Swedish cities to the airport in Osterund, which is located on the island of Frösön. From there, a bus takes you directly to the resort area for about 100 kronor (\$17). There are also pool taxis, which cost 200 kronor per person. Regular taxis charge about 700 kronor for the 60-minute ride, and the cost can be shared by as many as four persons.

For families, there is an attractive deal offered by Linjeflyg, the Internal Swedish airline.

The Grand Design of Old Budapest

Continued from page 7

dreamy forms of Art Nouveau — that more than anything else sets Budapest apart as a cultural capital. Works by Hungarian artists of this period — Josef Rippl-Ronai, Tivadar Csontvary Kosztka, Lajos Gulácsy and their precursors, János Vaszary, Karoly Ferenczy and Bela Grunwald — are on prominent display at the Hungarian National Gallery, which is inside the old Royal Palace on the Buda side of the Danube.

The architecture of the period is more scattered and, oddly, some of it still lies off the tourist track. Not even professional guides can be counted on to know, for instance, how to get to the Geological Institute, or the Postal Savings Bank, two of three famous buildings designed by Odon Lechner, the first local architect to put a Hungarian imprint on the romantic ideas of Art Nouveau.

His third building, the Museum of Applied Arts on Ulloi Street, is well-visited. Built in 1896 (also to coincide with the millennium), it broke loose from the Classical style with imagination and abandon. On the inside, the museum is all light and air, painted entirely white, with a giant skylight, a courtyard of maharajah-style galleries, curvaceous handrails and balconies.

The outside is even more fantastic, with a roof of multicolored tiles made at the ceramic factory at Zsolnay, and an Oriental extravaganza of red brick and bright yellow majolica. Among its exhibits of furniture and artifacts, the museum houses a display of Hungarian Art Nouveau tapestries.

Lechner's other two buildings — the Geological Institute, on People's Stadium (Népszínház) Street, and the Postal Savings Bank, downtown behind the United States Embassy on Rosenber Street — are more func-

tional, literally so since both are still in use.

Although not on public display, visitors can get enough of a glimpse of the vestibule of the Geological Institute to be smitten by the delicately painted friezes on its blue-and-yellow ceilings and its etched glass doors.

The Postal Savings Bank, finished in 1901, could use a cleaning on the inside. In the main hall, the visitor's eye, instead of fastening on the stylized windows and stucco friezes, is unfortunately drawn to the flimsy cashier's windows, and orange plastic chairs lined up in the waiting area.

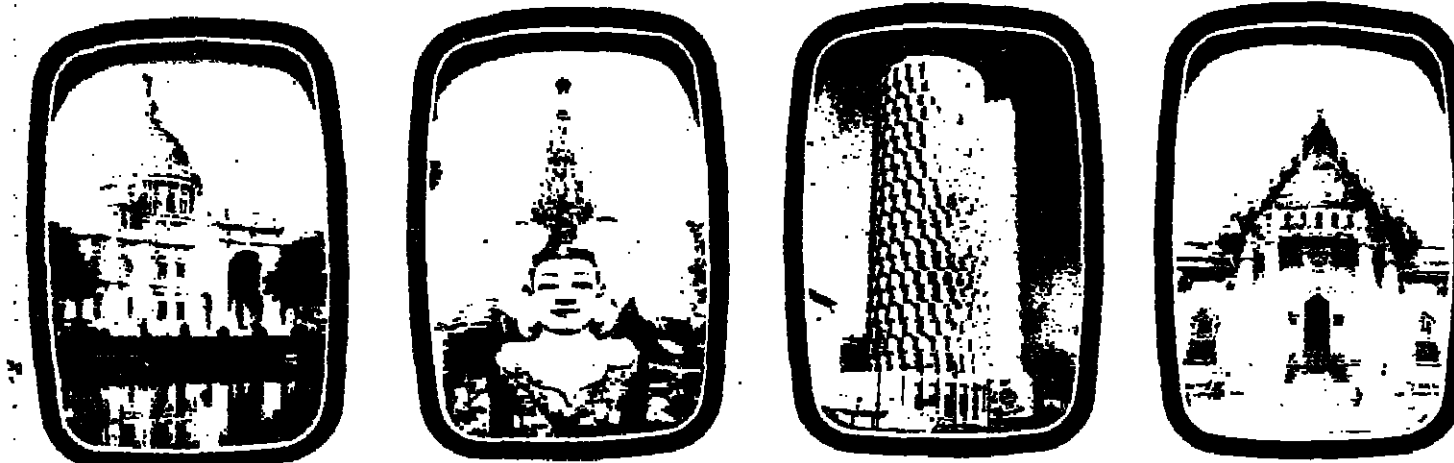
But from the outside the bank still gives the impression of a gypsy baron's palace, as it has been disparagingly called, with oblong windows, a curly rooftop and a proliferation of decorative designs. Lechner became a mentor of a younger generation of Hungarian architects, who took

his style and embellished it in public buildings built around the region, notably the Rook Palace in Szeged, the Csáfr Palace in Keszthely and farther afield: the Town Hall in what is now Subotica, Yugoslavia, and the Cultural palace, in Tirgu Mures, Romania.

Some of their buildings still stand in Budapest as well, among them the former Jewish Charity Home at 57 Amerikai Ut, designed by Bela Lajta, and the Calvinist Church on Gorki Avenue, by Aladar Arkay. Another striking building of the period is the Gresham, on Roosevelt Square, opposite the Chain Bridge.

Samples of Art Nouveau stained glass can be seen from the stairwells, easily accessible to visitors. The Gellert Hotel, which dates from 1918 and is known for its swimming pool and thermal baths, is another example of Art Nouveau.

© 1990 The New York Times



Biman opens up exotic Asia

Fly Biman and rediscover Asia. Asia — rich in splendour, colour and variety. Asia where civilisations meet, traditions are built, histories made. Biman flies you to the key

destinations in South, South East Asia. Be with us and enjoy our unique hospitality — not to mention our delicious cuisine, inflight movies and a lot more.



WALL STREET WATCH

Western Union's Fate Hangs on Bondholders

By Keith Bradsher
New York Times Service

NEW YORK — While Western Union Corp. has raised the possibility of a bankruptcy filing, the president of the 139-year-old company that pioneered global business communications hopes to avoid such a step through a new deal with creditors.

Robert J. Amman said that by the end of April the company will present its bondholders with a proposal to exchange existing notes and bonds for new debt securities that might include a lower interest rate or longer maturity.

Mr. Amman said the company had held discussions with major bondholders and was optimistic that they would accept the exchange. "Our thinking is certainly not in terms of filing for bankruptcy at this time," he said Wednesday.

In its annual filing of its operating results on Wednesday, Western Union said that it was unable to reach an agreement with bondholders on a refinancing, it might seek protection under Chapter 11 of the U.S. bankruptcy code.

Wednesday's disclosure marked the first time since broad changes at the company in December 1987 that Western Union had said it was in danger of seeking bankruptcy protection.

Mr. Amman attributed Western Union's difficulties to high debt payments and the decline of the telex business as the fax machine has become popular.

All but \$135 million of Western Union's debt was consolidated at the end of 1987 into a \$500 million issue of high-yield junk bonds when the investor Bennett S. LeBow took control of the tottering company with a \$25 million investment.

That junk bond issue initially paid an interest rate of 16.5 percent, and the rate was raised to 19.25 percent last summer when the bond's provisions required that Western Union seek to make it trade at 101 percent of par value.

The result was that Western Union is now paying \$96 million a year in interest on the issue, plus \$19 million for the older debt, said Warren Bechtel, a spokesman for the company.

WESTERN UNION is uncertain whether it can meet a \$51 million interest payment due on June 15, so management was forced by the company's auditors and lawyers to disclose the possibility of bankruptcy, Mr. Amman said.

The company also said it may not be able to meet a minimum subordinated capital test under an indenture between it and United States Trust Co. of New York regarding the junk bonds, Reuters reported. If Western Union fails to meet the requirement for two quarters, it may have to acquire at face value \$100 million of the notes every six months until the requirement is met.

Last year Western Union lost \$32.3 million on sales of \$628.7 million, so interest payments totaled more than a sixth of sales. "The debt load is too high for the company to handle on an ongoing basis," Mr. Bechtel said.

Western Union has tried to regain its financial footing since 1987 by focusing on more service-intensive communications industries.

The company has closed down a long-distance microwave communications business and sold its satellite communications and dedicated telephone lines businesses, Mr. Bechtel said.

Telex, historically Western Union's best business, is a cash cow that analysts agree is on its last legs as businesses switch to telephone facsimile machines.

To offset that lost revenue, the company is emphasizing electronic mail, attempting to provide more services to travel agents, such that the delivery of prepaid tickets nationwide, and supplying various financial services.

Mr. Amman has said that "our vision is that a consumer will come to a Western Union outlet to cash his or her paycheck, pay bills, send money and handle all associated transactions."

'Our thinking is certainly not in terms of filing for bankruptcy.'

Finnish Recipe for Lithuania's Economy

By Lawrence Malkin
International Herald Tribune

NEW YORK — The Harvard economist who advises Lithuania's beleaguered government says that he expects "a divorce without alimony" from Moscow after difficult negotiations that could eventually create a partnership between the two nations like the one between the Soviet Union and Finland.

Lawrence Summers was interviewed just before flying to the Soviet Union. He planned to arrive in Vilnius on Thursday to start a week of consultations on such questions as the shape of the new budget, the creation of a national currency, and Lithuania's policies for foreign trade.

Top priority for the Lithuanians, said Mr. Summers, is political independence, "which they regard as a matter of fundamental justice. Economic autonomy is only one component."

"The reason they want to be independent is that they want to be democratic, and they don't want to be enslaved," and not just to have a better economic system, Mr. Summers said.

He conceded that in the short run the Lithuanian standard of living might drop as Soviet subsidies and cheaper oil are lost. But he defended Lithuania's decision to try to cut loose from a large, protective trading bloc because "being on the Soviet team does not seem to be a winning economic strategy."

Mr. Summers also doubted the viability of proposals that have been made by some Soviet economists for a sort of halfway-house that would give the Baltic republics more political autonomy and turn them into a special foreign-trade enterprise zone, earning foreign currency for Moscow.

"Who knows how long that deal would work, how faithful the promises of the Soviet Union would prove to be?" asked Mr. Summers. "You can't have a convertible currency unless you have a convertible economy. As long as you're part of the Soviet system it's going to be very difficult to engage in genuinely separate and independent economic work."

Lithuania's educated work force can produce to high standards and work for wages lower than those now paid by South Korea. Moreover, "Lithuania is close to Western Europe, and there is vast opportunity," he said.

The country will need to attract foreign investment, and the leadership favors new factories on green-

field sites rather than trying to revive obsolete Soviet plants.

Furthermore, Mr. Summers is advising his clients to avoid what is happening in Hungary, where foreigners are buying up factories cheaply. "At the moment the ruble exchange rate in Lithuania is so crazy that somebody is going to come in with a small number of dollars and take a very valuable factory," he warned.

"If Lithuania is free, its people have the same potential that the Finns do to develop the quality of goods that never gets developed under the socialist system."

Lawrence H. Summers,
Harvard University



dent international economic relations."

Lithuania is a country of only 3.6 million people whose main resources are forests and ports. Soviet-financed factories produce consumer durables, machine tools, chemicals and wood products, mostly far below Western standards. How can it survive as an independent country?

First, said Mr. Summers, Lithuania

U.S. and Soviet Union Set \$1 Billion Grain Pact

Reuters

WASHINGTON — The United States and the Soviet Union have reached agreement on a new grain purchase agreement that guarantees more than \$1 billion of annual American grain sales to the Soviet Union.

The deal was announced in Washington on Thursday by the U.S. agriculture secretary, Clayton K. Yeutter, and the trade representative, Carla A. Hills.

The five-year pact calls for minimum Soviet purchases of at least 10 million tons of U.S. wheat, corn, soybeans or soybean meal for the Soviet Union each year. That is up

from nine million tons in the current pact.

The new agreement will succeed the current one which expires next Dec. 31. Moscow will also have greater flexibility in choosing between wheat and feedgrains purchases on a year-to-year basis.

The new pact was agreed at a meeting in Vienna between U.S. and Soviet negotiators and was hailed by Mr. Yeutter and Mrs. Hills as "a welcome advance in the relations between the United States and the U.S.S.R."

U.S.-Soviet grain pacts stretch back to the mid-1970s. They help lock in exports for American farm-

ers and protect the Soviet Union, the world's biggest grain buyer, against supply disruptions.

Under the new pact the Soviet Union will be required to purchase annually at least four million tons each of wheat and feedgrain with a balance that can be fulfilled with purchases of wheat, feedgrains, soybeans or soybean meal.

In any one year the Soviet Union can substitute up to 750,000 tons of one commodity for another.

At the first round of grain talks last December, the Soviet Union asked that the minimum purchase level be cut to six million tons of grain, but the United States said it

Japanese Group To Buy Control Of Southland

Compiled by Our Staff From Dispatches

DALLAS — Debt-ridden Southland Corp., which owns 7,000 7-Eleven convenience stores, said Thursday that it agreed to sell a controlling interest to its Japanese partners for \$400 million and the assumption of debt.

Ito-Yokado Co., Japan's second-largest supermarket operator, and longtime Southland affiliate 7-Eleven Japan, which Ito-Yokado controls, would acquire 75 percent of Southland's common stock under terms of the deal, Southland said.

The Japanese companies would pay \$400 million in cash. The deal is contingent upon the restructuring of Southland's \$1.8 billion in debt and of its outstanding preferred stock.

Southland, plagued by disappointing sales and earnings growth, has been strained by debt associated with its \$4.9 billion leveraged buyout in 1987, which gave the Thompson family of Dallas control of the chain. Under the proposed deal, the Thompson family would retain about 15 percent of the company.

Southland's high-yield junk bonds rose sharply on news of the debt-restructuring proposal, although dealers said that bond holders could reject the plan. After the announcement, Southland's 15.75 percent senior subordinated notes of 1997 rose one point to 29 bid.

The deal, which has been approved by Southland's board, also must be approved by the company's lenders, a syndicate of 32 banks.

Southland's spokeswoman, Cecilia Norwood, said that the total acquisition cost was not yet known. However, the leading Japanese financial journal, Nihon Keizai Shimbun, Thursday estimated the deal at about \$1 billion.

In addition to company-owned 7-Eleven stores, Southland's six food processing centers and five distribution centers are included in the deal.

Independent licensees and affiliates also operate more than 5,900 7-Eleven stores in the United States and 21 foreign countries.

Seven-Eleven Japan, the largest convenience-store operator in Japan,

operates 3,940 licensed stores. Ito-Yokado, which Southland described as Japan's most profitable supermarket chain, owns 50.3 percent of 7-Eleven Japan. Southland has had a 17-year affiliation with the Japanese concerns.

Southland said in November it faced a liquidity crisis. To meet substantial debt payments last year, the company sold off its half-ownership of Citgo Petroleum Corp., which supplies many of its stores with gasoline.

For the nine months ended Nov. 30, 1989, Southland lost \$299 million on revenue of \$6.3 billion. The company attributed the loss to heavy interest payments and additional charges associated with its buyout.

Southland's bank group has ordered the company to submit a restructuring plan by May 31. Under terms released in the company's news release, Southland proposes to issue new bonds in exchange for outstanding bonds and issue additional common stock.

"During the course of the last six months, we have reviewed a broad range of alternatives that would maintain the long-term viability and success of Southland," said John P. Thompson, Southland's chairman. He added that the alliance "is the best way to achieve the company's goals."

Ito-Yokado said it was approached by Southland in late January to participate in the both the financing and management of the company's restructuring.

Because of current friction over Japanese investment in U.S. companies, Masashi Kamata, senior managing director of Seven-Eleven Japan, stressed that the agreement was made in response to Southland's request for assistance.

Mr. Kamata said great care would be taken to explain the deal to political and financial leaders in the United States with an interest in the company.

Masatoshi Ito, the chairman of 7-Eleven Japan and president of Ito-Yokado, said he sees the deal as the beginning of a worldwide partnership.

(AP, Reuters)

CURRENCY RATES

Cross Rates	March 22
Australian dollar	1.507
British pound	1.507
Canadian dollar	1.273
French franc	6.545
German mark	1.366
Italian lira	2.366
Japanese yen	163.26
New Zealand dollar	1.273
Portuguese escudo	200.48
Spanish peseta	166.64
Swedish krona	8.466
Swiss franc	1.433
Thai baht	25.46
U.S. dollar	1.000
West German mark	1.366

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Other Dollar Values	March 22
Australian dollar	1.507
British pound	1.507
Canadian dollar	1.273
French franc	6.545
German mark	1.366
Italian lira	2.366
Japanese yen	163.26
New Zealand dollar	1.273
Portuguese escudo	200.48
Spanish peseta	166.64
Swedish krona	8.466
Swiss franc	1.433
Thai baht	25.46
U.S. dollar	1.000
West German mark	1.366

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Forward Rates	March 22
30-day	1.507
60-day	1.507
90-day	1.507
180-day	1.507
360-day	1.507

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Interest Rates	March 22
1-month	8.00%
3-month	8.00%
6-month	8.00%
1-year	8.00%

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Key Money Rates	March 22
1-month	8.00%
3-month	8.00%
6-month	8.00%
1-year	8.00%

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Asian Dollar Deposits	March 22
1-month	8.00%
3-month	8.00%
6-month	8.00%
1-year	8.00%

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

U.S. Money Market Funds	March 22
1-month	8.00%
3-month	8.00%
6-month	8.00%
1-year	8.00%

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

GOLD	March 22
1-ounce	375.00
10-ounce	375.00
100-ounce	375.00

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

U.K. Trade Gap Shrinks But Pound Stays Down

Reuters

LONDON — Britain's current-account deficit shrank to £1.4 billion (\$2.23 billion) in February from £2.02 billion the month before, the government reported Thursday, but sterling was unable to shake off its post-budget gloom, economists said.

The deficit in the broadest measure of trade was also below £1.75 billion in February 1989. The narrower deficit — on merchandise trade — was the same as the current account for both January and February, as there was no deficit on trade in services for either month.

Market nervousness ahead of the results of a parliamentary by-election Thursday in central England dogged the pound and resulted in a subdued reaction in British government bond and money markets to the narrower deficit.

The deficit narrowed due to a fall in import values of 6.5 percent from January, while exports declined 1 percent.

The outcome was roughly in line with expectations in financial markets, made nervous by fears that the deficit might be boosted by erratic items, as they were in January.

Sterling eased by around half a cent and a penny just after the data were released. But by the close, the pound had recovered slightly and it closed in London at \$1.6005, up from \$1.5930 on Wednesday.

Dealers said the February trade figures also took some pressure off sterling money market rates.

"Today's figures must convince even the most trenchant skeptics of the underlying improvement in Britain's trade performance," said Derek Scott, economist at Barclays de Zoete Wedd Securities Ltd.

Prime Minister Margaret Thatcher told Parliament that the latest data showed the current-account deficit was narrowing. She cited the 11.0 percent rise in nonoil export volume, excluding credits, in the three months ended February over the previous three months as evidence of the improving trade position.

Earlier this week, the chancellor of the Exchequer, John Major, repeated last November's forecast that the current-account deficit would narrow to £1.5 billion this year. In 1989 it was a record £20.85 billion.

Algeria Opens Doors To Foreign Investors

Reuters

ALGIERS — A finance law introduced in the Algerian legislature on Thursday could allow total foreign ownership of investment projects for the first time since independence in 1962.

It would also allow foreign banks and investment institutions to open branches in the country. The economy minister, Ghazi Hedoui, told the legislature it was the last and most important in a series of economic reforms designed to solve the country's economic crisis.

Saddled with a \$24 billion foreign debt, hit by falling oil and gas revenues and troubled by social unrest, socialist Algeria proposes to give foreign investors unprecedented freedoms.

"Nonresidents are authorized to transfer capital into Algeria to finance any economic activity not explicitly reserved for the state," says the draft law.

Under current law foreign investment can only be in the framework of joint ventures 51 percent controlled by an Algerian state partner.

The draft law says foreign investment must be directed into projects

that create jobs and transfer technology. No project can result in a net loss of hard currency.

Foreign investors cannot monopolize an economic sector and capital transfers would be subject to the control of a Council of Money and Credit.

The government was forced to withdraw a revised joint venture law from the legislature last July after deputies complained it offered too many advantages to the foreign partner.

The legislature's economic commission urged adoption of the new draft's key articles and deputies said it would be put up for a vote on March 26 or 27.

"The country now suffers from the piling up of debt which represents the main obstacle to pushing development activity forward," Mr. Hedoui said.

He said hard currency revenues this year would amount to some \$10 billion, but \$7 billion would be spent meeting debt payments, leaving barely enough for food and other essential imports.

"Our enterprises must rapidly associate themselves with partners which would open up these markets," he said.

EVEN TO STAY WHERE YOU ARE, YOU HAVE TO MOVE.



Once you're on top, you discover that there's a lot to stay on top of. Events anywhere in the world can hit home, instantly. Today, just preserving success can take as much energy as achieving it. That's the business of TDB American Express Bank. What we offer, in addition to the celebrated Swiss banking environment, is a true investment culture. With our American Express affiliation, you'll have access to an entire world of investment opportunities, while enjoying the privacy and security of Switzerland. To find out what we can do for you, just call us. Or visit us the next time you're in Switzerland.

PRIVATE BANKING
SOLUTIONS
IN SWITZERLAND

TDB
AMERICAN EXPRESS BANK

Head office: 91-98, Rue du Rhine, Geneva, tel. 022/733-2111. Branch offices: in Zurich, Bahnhofstrasse 20, tel. 01/219/6111; in Lugano, Via F. Sgarbi 1, tel. 091/30/2882; in London, 24 Grafton St., tel. 1-91/2211; in Nassau, Beaufort House, Bay Street; in Luxembourg, 34, Avenue de la Porte-Neuve, tel. 352-41891. In Asia, for private banking information please contact American Express Bank Ltd. in Hong Kong or Singapore. In North America, for further information please contact American Express Bank International in New York, Miami, Los Angeles, Beverly Hills, San Francisco or San Diego.

MARKET DIARY

Via Associated Press March 22

European Commodities

U.S. Dollars per metric ton

LONDON COCOA

LONDON COFFEE

LONDON SUGAR

LONDON COTTON

LONDON WHEAT

LONDON RICE

LONDON SOYBEANS

LONDON CORN

LONDON OILSEEDS

LONDON LUMBER

LONDON METALS

LONDON GOLD

LONDON SILVER

LONDON PLATINUM

LONDON PALLADIUM

LONDON DIAMONDS

LONDON JEWELRY

LONDON WATCHES

LONDON CLOCKS

LONDON TOYS

LONDON GAMES

LONDON BOOKS

LONDON RECORDS

LONDON FILMS

LONDON MUSIC

LONDON ARTS

LONDON SPORTS

LONDON THEATRE

LONDON OPERA

LONDON BALLET

LONDON CONCERTS

LONDON EXHIBITIONS

LONDON FESTIVALS

LONDON CELEBRATIONS

LONDON AWARDS

LONDON PRIZES

LONDON MEDALS

LONDON TROPHIES

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

Currency Options

March 22

PHILADELPHIA EXCHANGE

U.S. Dollars per metric ton

LONDON COCOA

LONDON COFFEE

LONDON SUGAR

LONDON COTTON

LONDON WHEAT

LONDON RICE

LONDON SOYBEANS

LONDON CORN

LONDON OILSEEDS

LONDON LUMBER

LONDON METALS

LONDON GOLD

LONDON SILVER

LONDON PLATINUM

LONDON PALLADIUM

LONDON DIAMONDS

LONDON JEWELRY

LONDON WATCHES

LONDON CLOCKS

LONDON TOYS

LONDON GAMES

LONDON BOOKS

LONDON RECORDS

LONDON FILMS

LONDON MUSIC

LONDON ARTS

LONDON SPORTS

LONDON THEATRE

LONDON OPERA

LONDON BALLET

LONDON CONCERTS

LONDON EXHIBITIONS

LONDON FESTIVALS

LONDON CELEBRATIONS

LONDON AWARDS

LONDON PRIZES

LONDON MEDALS

LONDON TROPHIES

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

LONDON SHERS

LONDON CUPS

[illegible]

(†) - twice weekly; (m) -

ester Holdings	FF	150.28	(d) Capital Rentinvest	\$	124.23	KIDDER, PEARBODY & Co. Incorporated.	(m) Nascral Ltd
ester Holdings	\$	15.50	(d) Rentinvest Distr.	LF	9,283.09	(b) Chesapeake Fund Ltd.	(m) Special Opportunities Ltd.

[illegible]

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 6133595F for further information.

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

مکاتیب

New World to Take Hotels Unit Private

By Steve Glain
International Herald Tribune

HONG KONG — New World Development Co., a high-profile conglomerate that recently purchased control of the U.S.-based Ramada hotel chain, announced Thursday that it was taking its lucrative hotel arm private.

Analysts estimated that the deal was worth 500 million Hong Kong dollars (\$64 million).

The announcement is the latest bold step by a company that has transformed itself from a quiet, property-based firm into a high-profile predator with interests in real estate, construction, hotels, jewelry and communications.

The Hong Kong stock exchange reported that family-owned New World and its jewelry subsidiary, Chow Tai Pook Enterprises, was forming a private company called Newco to bid for the shares in publicly traded New World Hotels.

Newco will offer 6.25 dollars for each New World Hotels share that its two parents do not already own. New World Development holds

50.13 percent of New World Hotels, while Chow Tai owns 24.54 percent.

Reuters quoted a local broker as saying that New World was undertaking the offer because it thought profits were going to rise at the hotel unit. Once the offer was completed, the broker added, New World could save money by not paying dividends on the shares.

In November the hotels group reported that its profit rose 32 percent to 353.9 million dollars. New

World Development as a whole posted an earnings gain of only 12 percent, to 1.25 billion dollars. The hotels group now includes the company's 66 percent stake in Ramada Inc.'s chain of 800 hotels.

Analysts said that Newco could easily finance the offer through a rights issue, bank loan or convertible bonds.

"It's not a big problem," said Allen Ng, an analyst at S.G. Warburg Securities. "But they'll have to raise money for it."

Mr. Ng estimated the share purchase would raise New World's net debt to between 7 billion and 8 billion dollars, compared with capital employment of about 28 billion dollars, for a debt-to-equity ratio of between 30 and 40 percent. He said that this projection was a rough forecast based on the company's 1989 results.

Trading in New World Hotels was suspended at its own request after its share price rose 45 cents to 5.30 dollars. Trading was expected to resume in Thursday's afternoon session.

Despite New World's perceived ability to raise funds for the transaction, several analysts were surprised the company has made the offer so soon after New World Hotels finalized its purchase of Ramada Inns, made jointly with Prime Motor Inns Inc. of the United States, for \$540 million.

The Ramada purchase strengthened New World's existing hotel interests, including 10 luxury hotels in Hong Kong and China. It was announced last year but only finalized last month.

Prior to the Ramada deal, New World had embarked on a whirlwind sweep of acquisitions and attempted takeovers that turned the once-staid property firm into a diversified concern.

In 1988, New World and two other firms failed in their efforts to buy property giant Hongkong Land, a unit of Jardine Matheson Holdings Ltd. Last March, the company made an unsuccessful 2.4 billion-dollar bid to buy Wing On Holdings, a huge department store chain with regional aspirations.

Shortly thereafter, it bought a stake in loss-producing Asia Television, a local broadcasting company.

Mr. Ng estimated the share purchase would raise New World's net debt to between 7 billion and 8 billion dollars, compared with capital employment of about 28 billion dollars, for a debt-to-equity ratio of between 30 and 40 percent. He said that this projection was a rough forecast based on the company's 1989 results.

Jardine Strategic Keeps Momentum

HONG KONG — Jardine Strategic Holdings Ltd., the fast-growing investment arm of Jardine Matheson Holdings Ltd., reported Thursday a 46 percent increase in net profit for 1989, to 1.28 billion Hong Kong dollars (\$164 million).

The company, through which Hong Kong's largest trading house holds stakes in major companies like Hong Kong Land Holdings, reported a profit of 875 million dollars in 1988, when it also had an extraordinary loss of 43 million dollars. This time, there was an extraordinary profit of 17 million.

China Expects Rise in Taiwan Trade

Compiled by Our Staff From Dispatches

BEIJING — Indirect trade between China and Taiwan is expected to grow by at least 4.4 percent this year over 1989, to exceed \$4 billion, a senior Chinese trade official was quoted Thursday as saying.

An Min, head of the Taiwan

trade relations office of the Ministry of Foreign Economic Relations and Trade, was quoted by the China Daily as saying that a "mainland upsurge" had hit Taiwan businesses.

Mr. Min said indirect trade is expected to surpass \$4 billion this year, up from \$3.83 billion in 1989, with a \$2.4 billion surplus in Taiwan's favor. He added that in the last 11 years, trade volume totaled \$11.7 billion, with an annual growth rate of 46.6 percent.

"A new investment rush to the mainland is occurring in Taiwan," Mr. Min said, noting that total contracted investment by Taiwan on the mainland, although still banned by Taipei, had exceeded \$1 billion, spread across roughly 1,000 Taiwan-funded projects.

Taiwan's nationalist government has technically been at war with China since it fled the mainland in 1949 after losing a civil war to the communists. Although trade and investment are banned, there have been signs of easing recently.

Taipei partially lifted a ban on travel to China in November 1987. Earlier this month, Taiwan announced measures to remove further restrictions on business with China, allowing traders to make business trips and join international fairs on the mainland.

"Once Taiwan businessmen get the green light to go ahead, they will lead the second round of the

race to invest in China," said Andrew Chow of Tien An China Investments Co.

Tien An is regarded in Hong Kong as a leading China concept stock — a listed company that has invested heavily in China.

According to Mr. Chow, managing director of Tien An, the Hong Kong-listed company stands to reap a rich harvest if Taiwan legalizes trade with China. Tien An is sitting on a large chunk of land in one of China's Special Economic Zones.

Demand for industrial land and other real estate in China's Xiamen Special Economic Zone will jump if Taiwan residents can do business with China legally, Mr. Chow said. Tien An has acquired development rights for about 123 acres (49.5 hectares) of land in coastal Xiamen.

Tien An also holds development rights for several real estate projects in Shenzhen, the oldest of China's five Special Economic Zones bordering Hong Kong.

"We decided in February to re-start those Shenzhen projects that had been shelved since the June 4 events in Beijing," said Mr. Chow, referring to Beijing's violent suppression of student pro-democracy demonstrations last year. "As the investment environment in China is turning around, we are now trying to increase our land bank in Shenzhen by bidding for two pieces of land through public tender."

(AFP, Reuters)

TV3 to Seek More Capital

WELLINGTON — TV3 Network Ltd. said Thursday that it would raise a further 12 million New Zealand dollars (\$6.9 million) in capital, but added that talks on the issue's terms were continuing.

"The board meeting has been adjourned to Monday," a TV3 spokesman said.

TV3 is 15 percent owned by NBC International Ltd., a unit of General Electric Co.'s NBC network. Another 15 percent was sold to the public in November at 2.50 dollars per share, but the stock has fallen as low as 40 cents amid concerns about falling ratings and cost overruns.

On Thursday, the stock closed at 55 cents.

South Korea and U.S. Resolve Dispute Over Curbs on Beef Imports

Compiled by Our Staff From Dispatches

SEOUL — South Korea has resolved a dispute with the United States over beef imports, averting possible trade sanctions from Washington, officials said Thursday.

Officials of the Agriculture and Fisheries Ministry said Washington agreed to let up on its demand for Seoul to open its beef market further to imports, pending the outcome of a joint inspection of local cattle-raising farms.

On the other hand, South Korea agreed to increase its beef import quota by 4,000 tons every year until 1992, with 58,000 tons marked for this year. Quotas for the year 1993 and thereafter will be fixed through negotiations in July 1992.

The joint inspection will start in April and its results will be available in a year, officials said.

Washington had demanded that Seoul present a time-table for lifting its beef market from most of its import restrictions, threatening trade retaliation on South Korean products.

South Korea has rejected the U.S. demand, citing the weakness of its cattle industry, they said.

"U.S. negotiators originally asked us to submit a schedule for total liberalization of beef imports but later agreed to accept our offer to increase the annual quota," a ministry official said.

Washington promised it would not invoke Section 301 of the 1988 U.S. Omnibus Trade Act, under which the U.S. government can curb imports on products from any country deemed to be engaging in unfair trade practices, officials added.

After a ban from May 1985 to August 1988, Seoul agreed to allow 14,200 tons of beef imports in the remainder of 1988 and 50,000 last year. The bulk of the country's beef imports come from the United States and Australia.

A General Agreement on Tariffs and Trade panel ruled last year that South Korea unfairly discriminated against beef imports.

Seoul, however, has been under strong pressure from local farmers to limit the imports.

Seoul is also currently engaged in talks with Australia and New Zealand over beef imports.

The officials said the settlement would help strengthen Seoul's position in talks with the two other countries, which have rejected its call for a joint inspection of local cattle-raising before presenting a liberalization plan.

(AFP, Reuters)

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
					
Exchange Index		Thursday Close		Prev. Close	
Hong Kong	Hang Seng	2948.67	2928.92	+0.74	
Singapore	Straits Times	1569.91	1572.19	-0.15	
Sydney	All Ordinaries	1566.60	1587.70	-1.33	
Tokyo	Nikkei 225	29843.34	30087.19	-3.13	
Kuala Lumpur	Composite	597.38	603.16	-0.96	
Bangkok	Book Club	692.56	688.86	+0.54	
Seoul	Composite Stock	845.96	849.91	-0.46	
Taipei	Weighted Price	10978.15	11257.32	-2.48	
Manila	Composite	1135.69	1160.70	-2.15	
New Zealand	Barclays	1726.16	1746.55	-1.17	
Bombay	National Index	404.34	396.89	+1.88	

Sources: Reuters, AFP

New Seoul Investment Fund Is Planned

HONG KONG — A South Korean mutual fund that will give foreign institutional investors another way into the Seoul market will be launched in Asia, Europe and the United States next Tuesday, a Hyundai Securities Co. spokesman said.

The Korea 1990 Trust will invest mainly in shares listed on the Seoul Stock Exchange and to a lesser extent in short-term money market instruments, the spokesman said Thursday.

The 20-year fund, totaling \$50 million, will be priced at about \$5.34 per unit.

Foreign investors are prohibited from investing

directly in the Seoul stock market but may invest indirectly through mutual funds. South Korea plans to lift the prohibition in 1992.

Five South Korea funds are already listed on the Hong Kong exchange. In addition, the Korea Fund is listed on the New York Stock Exchange, while Korea Euro-Fund is listed on the London Stock Exchange.

The spokesman said 75 percent of the trust will be placed in Asia and Europe and 25 percent in the United States. The trust will be listed in Hong Kong and Amsterdam.

CL Closes Shop In Australia

MELBOURNE — Credit Lyonnais Holding Australia Ltd., a unit of the French bank, said Thursday it had closed its Australian stockbrokerage arm Credit Lyonnais May Mellor Ltd., effective immediately.

The Australian parent described stockbrokerage in Australia as "especially difficult" at present.

Credit Lyonnais opened in Australia as a bank in 1986 and formed CL May Mellor through its acquisition of Alexander Laing & Cruickshank in November 1987.

Gloom on Australian Markets Forces Banks to Cut Back

SYDNEY — After enjoying years of growth, Australia's financial markets are facing the biggest shake-up since deregulation in the early 1980s.

Analysts say the industry is overcrowded and some institutions, particularly foreign-owned banks and investment banks, are being squeezed by stiff competition and falling profits.

"The industry has enjoyed 10 very good years in terms of growth and it is now going through a phase of consolidation and digestion, and is finding the economy is falling away underneath it," said Alex Erskine, chief economist at Citibank Ltd. "I would expect that to contin-

ue for at least another year," he added.

Analysts say the depressed state of Australian markets, reflecting low stock market turnover, a lack of corporate activity and high interest rates, has forced banking and brokerage firms to pack up and leave, merge or pare down operations.

The New South Wales premier, Nick Greiner, who is launching a campaign to promote Sydney as a financial center, said recently he believed many overseas banks had entered Australia in the 1980s with unrealistic expectations. Many thought they "could depend on their name, and often their name

wasn't of great relevance in the Australian market."

The policy director of the Australian Merchant Bankers' Association, Max Sullivan, said banks were adopting a conservative attitude after getting caught by high interest rates and the collapse of corporate high fliers. "Many got their fingers burned," he said. "Those that made a profit kept well away from corporate lending."

Overseas institutions were finding it difficult to compete with the big four Australian banks, particularly in foreign exchange.

According to Reserve Bank of Australia figures, the number of authorized foreign exchange deal-

ers has dropped to 85 from a February 1989 peak of 92.

The big losers included Hongkong Bank of Australia, with a \$1.6 billion dollar (\$61.3 million) loss in 1989, and Standard Chartered Bank Australia with a loss of \$4.19 million in the same period.

Both blamed the losses mainly on large provisions for bad and doubtful debts resulting from their exposure to companies now in receivership or liquidation.

Several investment banks, unable to justify high staff levels given the drop in business and profit returns, have closed or sold their operations.

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. Its list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Month: Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Div. Yld. PE High Low P.A. Chg.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Falling Stock Price Sets Alarm Bells Ringing at NTT

Review
TOKYO — Nippon Telegraph & Telephone Corp., the most expensive stock on the Tokyo Stock Exchange, could face serious problems if its price continues to fall.

Widely regarded as a bellwether issue, NTT's price drop reflects overall weakness on the Tokyo exchange. But it could also force the giant phone company to revise its five-year development plan, the president Haruo Yanaguchi said Thursday.

"If market conditions become more sluggish and we see an impact on the use of

telecommunications, there could be serious problems for NTT management," he said. But he added: "We still have no specific indication this will happen. This has all occurred in just the past several months."

NTT shares fell 70,000 yen (\$458.1) or 6.1 percent on Thursday to close at a record low of 1.07 million yen.

Mr. Yanaguchi said further declines in the company's stock price could hamper its ability to raise capital, adversely affecting its investment in new equipment.

Although NTT is forbidden to conduct

equity financings, it is lobbying for permission to do so, and is concerned its equity financing ability might also be affected.

That plan, announced last week, calls for spending a total of 8.8 trillion yen by the year ending March 31, 1995 on the digitalization of its long-distance networks.

It envisages boosting research and development spending to 300 billion yen in 1994/95 from 240 billion yen this year.

NTT shares were first offered to the public at 1.197 million yen when the company was privatized in February 1987.

REAL ESTATE MARKETPLACE

FOR SALE IN FRANCE

20 minutes from center of Geneva. Very beautiful estate on 30,000 sq.m., swimming-pool, tennis, comprising: main house with kitchen, dining room, living room, living/bar, 5 bedrooms - 1 dressing room - 3 bathrooms - 1 games room. Caretakers' house - 1 kitchen, living, dining room - 1 bedroom, 1 bathroom.

Guest chalet: living-room, bedroom, bathroom

Chalet pool-house: shower.

Outside barbecue, closed 2 car garage, open 2 car garage, several outbuildings

Asking price: F.F. 7,000,000

Tel.: Geneva Office Hours (022) 46 92 92 Mr. ENRY

SWITZERLAND

SWITZERLAND
BERNESE OBERLAND
with view of the lake and the Alps, only minutes from INTERLAKEN, comfortable 1½, 2½ and 3½ room apartments. Enjoy your vacation in your own flat with the pleasant aspects of a hotel.

Please ask for our documentation: ZWAHLER IMMOBILIEN AG, ISHweg 13, CH-3000 Interlaken, Tel.: 0641 36 221 221

PORTUGAL

IN'S GROUP
International Estate Agent
YOUR ADVISER & SPECIALIST
IN PORTUGAL
Lisbon-Alexandre, Term 2, 5th floor, office
Tel: 091299 Fax: 09229
With offices throughout Portugal

LONDON RESIDENTIAL LETTING AGENTS

KENWOODS

FURNISHED APTS/HOUSES
LONDON/SUBURBS
SHORT/LONG LETS
TEL: (01) 402 2271
TEL: 25271 FAX: 01 262 8750
23 SPRING ST, LONDON W2 1JA

SPAIN

Mallorca:
exceptional
properties for sale
Just 10 minutes west of Palma de Mallorca, the Badia Nova is setting new standards of gracious living in the Mediterranean. The unique estate includes the famous Badia Nova Club, with its own exclusive beach, superb restaurant, bars, nightclub, library, swimming pool, tennis courts, Jacuzzi, sauna and more. As well as its own golf course - the prestigious Royal Badia Nova - where honorary president is H.M. King Juan Carlos.

We are now offering for sale a few luxury apartments either overlooking the sea, or on the golf course. Plans of land with magnificent sea views are also available.

Prices start from £55,000 for a one bedroom apartment and 9% mortgages for the first two years are available.

Contact our sales office in London, Tel: 01 899 4867, Mallorca (Spain) Tel: (071) 49 29 06, Düsseldorf (Germany) Tel: (021) 22 61 48

JOHN STRAND

RENTS
FURNITURE
Instantly Inexpensive Classic Modern
In Berlin Road London NW5 2NA
TEL: 01-485 8615 FAX: 01-485 2329

DESTIN, FLORIDA

REAL ESTATE INVESTMENT OPPORTUNITY

LUXURY HIGH-RISE CONDOMINIUM

- 120 units
- 152,000 sq.ft. of residential space with breathtaking views
- 17,000 sq.ft. of retail space
- Quality construction featuring inside corridors

KEITH ODEN, PRESIDENT

CENTEC COMPANIES
FAX: (713) 964-3599
TEL: (713) 964-3500, U.S.A.

CANADA

SHOPPING CENTRE FOR SALE

STOUFFVILLE PLACE MALL
535 Main Street
Stouffville, Ontario, Canada
NEW 42,500 Square Feet
Enclosed Mall just North of Toronto
Asking \$5.5 Million

Contact Management
J.F. Schmitz & Associates
Ste. 201 - 92 Davis Drive
Newmarket, Ontario, Canada
L3Y 2N1 Tel: (416) 925-0732
Fax: (416) 895-7665

TORONTO Avenue Road/Bloor

2 bedrooms, 2 baths, 1,700 sq.ft. Possible to convert to 1,200 sq.ft. one bedroom. Clear view, furnished or unfurnished. Magnificent Lake Ontario view from over 3,000 sq.ft. 3 bedrooms, library, 2½ baths, tile now.

John Cooper - 416-662-8248
John W. Corbin (Toronto) Ltd.
416-961-1441, Fax: 416-961-8388

PORT LEE, NEW JERSEY

ELEGANT, UNIQUE

7,760 sq. ft. Penthouse -/breastfeeding views from 130 ft. terrace overlooking Hudson River & New York City skyline. 24-hour concierge, indoor attended garage, security system, tennis courts, pool & sauna. Master bedroom wing w/la & her marble bath, dressing/closet room, expansive living room & formal dining room. Separate wing w/5 additional bedrooms & 3 baths complete this incredible residence. Shown by appointment. \$3,998,000

LENK-FRIEDBERG PROPERTIES

(201) 871-7448/(201) 860-1100

FOR SALE PALM BEACH COUNTY, FLORIDA

Magnificent residential property, 2 acres w/panoramic views from private beach front on Atlantic Ocean to protected lake with deep water for yacht. 6,000 sq.ft. Mediterranean-style stone construction by renowned architect. Built 1937, recently completely renovated. 6 bedrooms, 5½ bathrooms, 4 car garage, central air-conditioning, electronic security system, etc. Principals only.

Write: Box D284, IHT, 850 Third Ave., 10th fl., New York, NY 10022 U.S.A.

CANADA

CANADA, QUEBEC LAURENTIN RESORT

(1½ hr. from Montreal)
Condominiums: Mountain Homes Land, Panoramic views of St. Lawrence, Property Revenue/Management. From U.S.\$125,000.
Tel: (514) 631-4312 or 342-2578.
Fax: (514) 633-8360.

INTERNATIONAL REAL ESTATE MARKETPLACE

Appears every FRIDAY

TOKYO: U.S. Assistance Sought as Plunge in Stocks Dents Confidence

(Continued from Page 1)

kyo said it spent \$1 billion, and that the U.S. Federal Reserve Board helped via Singapore. That pushed down the dollar from a three-year peak of 155.40 yen, but only barely.

Officials also passed the word that Japan's big finance houses and corporations were being asked to dump yen for dollars. These moves strengthened Tokyo bond prices, which helped stem the stock slide — at least for the day.

Analysts diagnose the disease as something more fundamental than can be cured either by Japan's famed market management or by a quick application of interest-rate poisons.

The Bank of Japan has already raised its basic interest rate by a full percentage point in an attempt to stem the flight from the yen, but the latest move of the Fed and the Ministry of Finance to increase interest rates — even I think they are too high — it is about the loss of confidence in the way the Japanese conduct policy. This is the same problem that the United States had back in the late 1970s, before Washington attacked inflation through the Federal Reserve Board.

U.S. Treasury officials stressed that there was little they could do to lower U.S. interest rates.

"Even if we had Alan Greenspan in our pocket, what could we do?" asked one official, referring to the Fed chairman. In recent weeks, anonymous members of the administration have complained to the press that interest rates are unnecessarily high, but this has had no visible effect on the Fed so far.

Fed officials expressed sympathy for Japan's problems, but stressed that U.S. policy would be unable to help. Intervention to prop up the yen is seen as an ineffective mask for more serious problems that have surfaced in managing the Japanese economy.

A sizable group of economists feels that inflation is less of a problem than the Fed seems to believe, but bond markets seem to feel otherwise, and for a debtor nation, they call an important time.

Holding the Tide
James Stiergold of *The New York Times* reported from Tokyo: At midday Thursday, after the Nikkei average had fallen 1,836 points, the Japanese government took action to avoid having the rout turn into a crash.

Bank of Japan intervention in currency markets, helped by the Fed and by reports of the planned

talks between Mr. Hashimoto and Mr. Brady, knocked the dollar lower. In a chain reaction, Japanese bond prices strengthened, which caused a rebound in share prices of more than 1,000 points at one time. The market went through its second-steepest decline and its second-sharpest upward jump, both in the same day.

Analysts, traders and economists said that buying support had all but dried up, paralyzing the market. In addition to the number of individual shares that could not open Thursday morning because of the wave of sell orders, the stock-index futures market was unable to trade because of the pressure.

"It is getting panicky," said Toyoharu Tsutsui, a managing director in the equity department of CS First Boston (Japan), of the morning session. "It is an ugly situation. There are no buyers at all. None."

A senior securities executive said of the morning plunge, "There is total loss of confidence."

Many market experts said they still expect further declines in the yen and the Tokyo stock market.

Osaka Leads Japan's Boom in Land Prices
The Associated Press
TOKYO — The rapidly rising land prices that hit the Tokyo area several years ago have spread to Osaka in western Japan and other regions, the National Land Agency said Thursday.

PC-Translator 3.1

For five years, Linguistic Products has been helping International Business with machine translations. To or from English and Spanish, French, Danish or Swedish.

\$985 Per Single Direction Package Includes Shipping & Handling within the U.S.A. Extra Charge for Int'l Shipments

Linguistic Products

P.O. Box 8263, The Woodlands, TX 77387
Tel: (713) 363-9154
Fax: (713) 298-1911

\$700,000,000

MILLION MUST BE WON

In European Lotteries in the next ten weeks. Enter all of them at a penny a chance.

All government controlled. Tax free prizes payable in every country.

For FREE information write: Winning Edge Marketing 4 Rue de la Presse, 1000 Brussels, Belgium. Fax: 31-20-231506.

Valid only where legal.

ESORTS & GUIDES

INTERNATIONAL ESCORT SERVICE

Head office in New York 1841 Broadway, New York, NY 10023
212-768-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

MERCEDES

VIP ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
(01) 351 6466

AT YOUR SERVICE

VIP ESCORT AGENCY LONDON
American Express Accepted
581 2811, 9AM-MIDNIGHT

LONDON

Portman Escort Agency
of Chiswick, London W4
Tel: 484 374 or 484 1158
All major credit cards accepted

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESORTS & GUIDES

ARISTOCATS

London Escort Service
3 Shaftesbury Street, London W1
All major credit cards accepted
(01-258 000) (3 LINES)
12 noon - midnight

MADRID SHADOWS

Escort Service
Telephone: 341-202-9930

CROWN CLUB LTD

NEW YORK ESCORT SERVICE
(212) 688-2271

ZURICH

ESCORT SERVICE
Tel: 01 / 271 97 16

ESORTS & GUIDES

LONDON BRAZILIAN ESCORTS

Tel: 01 734 599/771, Open 7 days.

AMSTERDAM ESCORT SERVICE

Amsterdam Escort Service, Tel: (020) 30-3777 or 020-30-3033

AMSTERDAM ESCORT SERVICE

Amsterdam Escort Service, Tel: (020) 30-3777 or 020-30-3033

AMSTERDAM ESCORT SERVICE

Amsterdam Escort Service, Tel: (020) 30-3777 or 020-30-3033

AMSTERDAM ESCORT SERVICE

Amsterdam Escort Service, Tel: (020) 30-3777 or 020-30-3033

ANNOUNCING MORE THAN 300 HEADINGS TO CHOOSE FROM IN THE FAMOUS IHT CLASSIFIED SECTION.

- Announcements
- Real Estate For Sale
- Business Opportunities
- Birthdays
- Personals
- Real Estate Wanted/Exchange
- Pen Pals
- Real Estate Rent/Share
- Employment
- Education
- Colleges & Universities
- Business Services
- Commercial Real Estate
- Holidays and Travel
- Low Cost Flights
- Books
- Collectors
- For Sale and Wanted

To beam your classified message to the world, mail this coupon to your nearest International Herald Tribune office.

INTERNATIONAL Herald Tribune

PARIS: 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: (33-1) 46 37 93 85. Fax: 46 37 52 12. Telex: 613595.
LONDON: 63, Long Acre, London WC2E 9JH, United Kingdom. Tel: (44-1) 836 4802. Fax: 240 2254. Telex: 262009.
FRANKFURT: Friedrichstrasse 15, 6000 Frankfurt/Main, West Germany. Tel: (49-69) 72 67 55. Fax: 72 73 10. Telex: 416721.
NEW YORK: 850 Third Avenue, New York, N.Y. 10022, U.S.A. Tel: (1-212) 752 3890. Fax: 755 87 85. Telex: 427175.
HONG KONG: 7/F Malaysia Bldg., 50 Gloucester Rd., Hong Kong. Tel: (825-5) 861 06 16. Fax: 861 30 73. Telex: 61170.
SINGAPORE: 138 Cecil Street, #7-02 Cecil Court, Singapore 0106. Tel: (65) 223 64 78/9. Fax: 224 15 66. Telex: 28749.

Please run my ad as soon as possible.

☐ one time at a cost of ☐ four consecutive times (for the price of three) at a cost of

☐ My check is enclosed ☐ Please charge my credit card account:

☐ Visa ☐ MasterCard ☐ Access ☐ Eurocard ☐ AmEx ☐ Diners Signature

Card account number: _____ Expiry date: _____

Name: _____ Address: _____

City: _____ Country: _____ Tel/Fax/Telex: _____

Cost per line 1 Time 4 Times

U.S. \$ 15.40 46.20

First line of text takes a maximum of 25 letters, symbols or spaces, all other lines up to 35.

No abbreviations. Minimum space accepted: three lines.

FIRST LINE OF TEXT:

International Duty & Tax Free Seminar: 1993 and Beyond

LONDON, APRIL 3, 1990

Co-sponsored by the INTERNATIONAL HERALD TRIBUNE AND PETER R. WENBAN & ASSOCIATES

The second International Duty & Tax Free Seminar will assess the implications of the 'Single Market' on the industry, focusing on its strategies for the 1990s and beyond.

THE PROGRAM

- THE FUTURE FOR TRAVEL SHOPPING FROM 1993
Michel Petit, Deputy Head of Cabinet of Commissioner for Taxation, E.C., Brussels
- BEYOND 1993 AN INDUSTRY PERSPECTIVE
William Mass, Chairman, International Duty Free Confederation, Brussels
- 1993 THE RESHAPING OF TOURISM
Charles Powell, Scheduled Services Director, Air Europe, U.K.
- PASSENGER FERRIES: STRATEGIES FOR SURVIVAL
Michael Aiken, Passenger Services Director, Sealink U.K. Ltd., London
- CHARTER AIRLINES: COPING WITH CHANGE
Robert Parker-Eaton, Director, Customer Services and External Affairs, Britannia Airways Ltd., U.K.
- SCHEDULED AIRLINES: WHO WILL FUND THE DIFFERENCE?
Göran Lundquist, President, SAS Trading, Stockholm
- PANEL DISCUSSION
- THE REMOVAL OF PHYSICAL FRONTIER CONTROLS IN AIRPORT PASSENGER TERMINALS
Philippe Hamon, Director, International Civil Airports Association, Brussels
- THE FRANCHISEE AFTER 1993
Haribert Diehl, Director, Gebr. Heinemann, Hamburg
- THE CHALLENGE TO SUPPLIERS
Paul Bingham, Marketing, Planning & Operations Manager, B.A. Co., London
- Donald Coe, President & Chief Executive Officer, Allied-Lyons International Brands Ltd., London
- Nicholas Ratut, Export Director, Jean Patou/Lacoste Parfums, Paris
- Arnaud Bamberger, Director, Boutiques Worldwide, Cartier International, Paris
- PANEL DISCUSSION
- THE WAY AHEAD FROM 1993
Allen Walden-Jones, Regional Director, Europe Duty Free & Eastern Europe, United Distillers, U.K.

REGISTRATION INFORMATION

The fee for the conference is £295.00 + VAT. This includes lunch, a cocktail reception and post conference documentation. Fees are payable in advance and will be returned less a £50.00 administration charge for any cancellation received in writing on or before March 20. We regret that there can be no refund should you cancel after March 20. Substitutions can be made at any time.

The sponsors reserve the right to amend the program if necessary.

CONFERENCE LOCATION

The conference will be held at the Hyatt Carlton Tower, Cadogan Place, London SW1. Tel: (44 1) 235 5411. Fax: (44 1) 245 6570.

The hotel is holding a limited number of rooms at preferential rates. To make your room reservation, please contact Michelle Ager in the Reservations Department no later than March 12.

Herald Tribune

REGISTRATION FORM

To register, please complete and return this form to International Duty and Tax Free Seminar, International Herald Tribune, 63 Long Acre, London WC2E 9JH, England. Tel: (44 1) 379 4302. Fax: (44 1) 836 0717. Conference fee: £295.00 plus VAT at 15% (£44.25), making a total of £339.25.

☐ Check enclosed ☐ Please invoice

Title _____ First Name _____

Surname _____

Position _____

Company _____

Address _____

City _____ Country _____

Telephone _____ Fax _____

22-3-90

Technology Quarterly

Optical Computers: A New Information Age That Runs on Thin Air

By John Burgess

WASHINGTON — It occupies perhaps nine square feet (about one square meter) on a table top at AT&T Bell Laboratories. A jerry-rigged collection of lenses, lenses and high-quality mirrors, it has been proclaimed as the world's first computer processor to run not on electrons but on photons, the basic unit of light. "Look Ma, no wires!" jokes its animated chief designer, Alan Huang. "All the information is moving by light."

Unveiled in January, the processor has lifted the spirits of an elite community of researchers who, in labs scattered around the industrialized world, have been working for decades toward practical, affordable digital computers based on light. In theory, the machines could be a thousand times more powerful than the best now available and crash through a performance barrier facing today's silicon and electron technology.

Financed by governments, deep-pocketed corporations and a few brave venture capitalists, the work has been slow to produce results. A chorus of skeptics jeers from the sidelines. But many researchers remain convinced that sooner or later — probably early in the next century — optical computers will arrive that will make today's electronic ones seem like the mechanical adding machines of a generation ago.

With little publicity, their work has become yet another heat in an international technology race. The United States is not alone. In Europe, important findings have emerged from such places as Heriot-Watt University in Scotland, University of Liège in Belgium and Erlangen University in West Germany. Japan has major research programs at team universities and computer companies. In addition, the Soviet Union has invested heavily in optical computing research, with some specialists saying it leads the world in certain specialized fields of the discipline.

The Bell Labs creation has no real-world application. Its power, Mr. Huang says, roughly matches that of a semiconductor chip found in an ordinary washing machine. But it is further evidence that the concept works, that light can be the medium of high-speed calculations. The job now is to show that it can do it faster and at lower cost than electronic technology, which each year is better than it was before.

Scientists have long known that by its nature, a beam of light can carry more information than an electrical current can. "Wider bandwidth" is the term they use; if information is water, light is a water main and electricity a garden hose. Light moves faster than electricity and it can pass over thin air or along a conduit, an optical fiber.

Moreover, the photon is not electrically charged

and therefore does not radiate interference as it passes by, as the electron does. This "crosstalk" between electronic pathways is a serious design constraint for microscopic semiconductor chips. But two beams of light can cross each other's paths without any effect on the other. An added attraction for the military: Optical systems would be largely immune to the electromagnetic energy of nuclear explosions, which can scramble electronic circuits from great distances.

Light is also in many ways better suited to an evolving technology known as "parallel processing," in which computers improve their speed by breaking up problems and working on the parts simultaneously. The concept is being adopted to advanced electronic computers, notably Cray supercomputers, but only with great difficulty.

Light has already been harnessed in communications. In the 1980s, low-cost fiber optic cable became available and long-distance companies spent billions of dollars stringing it across countries and oceans. Fiber is also being used to shuttle information from computer to computer, and in a few cases, from component to component inside individual computers.

Optical technology has also found commercial uses in data storage, ranging from the now ubiquitous compact disc for home stereo systems (it is read by a low-power laser) to 12-inch erasable platters used to store data in volumes that are impossible with conventional magnetic discs.

But what about the core process of computation, the manipulation of data and derivation of new data from it? In one sense, success here came more than 20 years ago. In the 1960s, the first optical computers using "analog" technology — in which information is expressed as variations in light waves — were devised for specialized applications, primarily military signal processing. These machines can take raw signals from a radar antenna and assemble a coherent image from it in "real time," before the antenna has completed another sweep of the horizon. An electronic computer might need hours to do the job.

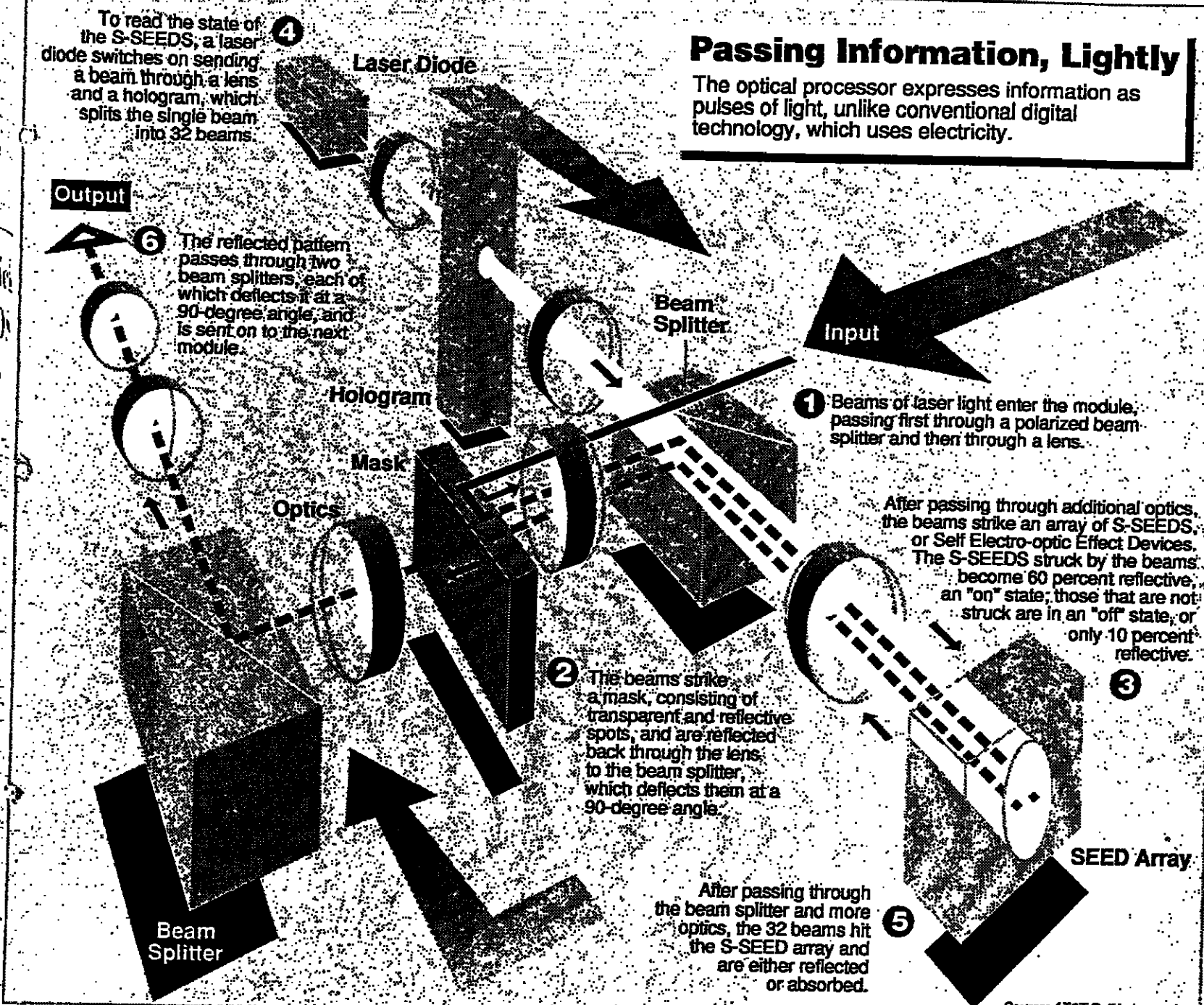
Purists, however, argue that this is not true computing. Unlike a desktop PC or a supercomputer, since these machines do not express data as the ones and zeros of the "digital" technology that is the core concept behind modern computers, instead, they employ the laws of physics to focus images, break them up and separate out frequency components. The breakthrough that remains over the horizon, then, is a digital optical computer, one that would encode data as numbers.

Electronic digital computers work by virtue of the millions of microscopic switches they contain. Turning from on to off and back again at extremely high speeds, they either block electrical pulses or let them pass through, thereby creating answers to calculations.

Continued on page 20

Passing Information, Lightly

The optical processor expresses information as pulses of light, unlike conventional digital technology, which uses electricity.



'Antisense' Joins the Gene Drugs

By Michael Balter

PARIS — In almost all human diseases, one way or another, proteins play a central role. Sometimes they run amok, as in inflammatory diseases like rheumatoid arthritis; or they can be key constituents of disease-causing foreign invaders such as viruses. They are even implicated in cancer, which recent research indicates can begin with the loss or malfunction of a single protein.

Most drugs on the market today work by destroying or neutralizing harmful proteins that have already been formed in the body's cells and tissues. During the past two-and-a-half years, however, a handful of new biotechnology companies have sprung up with the aim of designing drugs that would prevent these proteins from being produced in the first place.

Although clinical trials of these new substances, which some have dubbed "gene drugs," are probably at least two years away, early experiments have shown that they might eventually be effective in treating viral infections such as herpes and even AIDS.

"There are only half a dozen approved viral drugs in the world," says Thomas Adams, president of Genta Inc. in San Diego, California, "and they're not very effective. I think this

new approach is going to be the preferred method for treating viral diseases and many forms of cancer."

The new technology exploits what molecular biologists call their central dogma. The basic structure of each protein is determined by a code carried by the genes, which are made up of deoxyribonucleic acid, or DNA.

DNA is a helical, two-stranded molecule built from subunits called nucleotides; there are four types of nucleotides, and their sequence along the chain determines the structure of the corresponding protein. Before a protein can be created, however, the information in the DNA must be "transcribed," a process that creates a complementary single-stranded molecule called RNA. This RNA then acts as a "messenger" to the cell's protein-synthesizing machinery.

If any step in this process is blocked, the protein will not be made, and researchers are currently trying to figure out which stage makes the best target for drug action. One approach is to "kill the messenger," that is, knock out the RNA.

Although a typical RNA molecule is thousands of nucleotides long, a synthetic strand of only 10 to 20 subunits, called an "antisense oligonucleotide," can bind to it and render it ineffective. Moreover, these oligonucleotides are highly specific, apparently binding only to

the undesired RNA and thus are unlikely to cause side effects by interfering with the production of other proteins.

"It has been the explosion in molecular biology in the last 10 years that has led to the antisense concept," says Christopher Minibelli, vice president for research at Isis Pharmaceuticals in Carlsbad, California. "You must have the ability to synthesize oligonucleotides in sufficient quantity and purity to do the experiments. Plus, you need to know the RNA structure, and now that is at everybody's fingertips."

A potential problem with the antisense approach is that the synthetic oligonucleotides do not readily permeate living tissues, and even if they do, they are in danger of being attacked by the cell's defenses.

One approach to protecting these molecules from destruction is being developed by Jean-Louis Imbach of the Université des Sciences et Techniques du Languedoc, in Montpellier, France. DNA can exist in two configurations, called alpha and beta, but only the beta form is found in living cells. Mr. Imbach, who is collaborating with Isis, has synthesized oligonucleotides in the alpha configuration. "You can use them as antisense molecules, and they bind normally," Mr. Imbach says. "But they resist

Continued on page 20

Race to Access the Workstation Market

By Al Senia

LOS ANGELES — Key American, European and Japanese computer manufacturers have begun aggressively vying for supremacy in the multibillion-dollar global workstation market, the fastest growing segment of the personal computer industry.

With industry analysts forecasting tremendous growth during the next year both in the United States and in Europe for desktop workstations — highly powerful, multi-purpose computers usually used for complex scientific and research tasks — and with prices dropping dramatically even as performance increases, a number of manufacturers are pushing their own product lines as industry standards in an effort to carve out significant market share.

At a time when demand for traditional, less powerful personal computers is easing in the United States and many companies are paring back work forces, the workstation market continues to have a robust 30 to 40 percent annual growth. PC sales have averaged between a 15 and 17 percent growth rate.

A California research firm, Dataquest Inc., recently released its annual global workstation market survey. Kathleen Hurley, a research analyst, said the workstation industry surpassed \$6 billion in sales last year, up 40.2 percent from 1988. She expects the market to surpass \$8 billion in sales this year, another 33 percent increase.

The Global Workstation Market			
Company	1988 Revenue in billions of U.S. dollars	Percentage increase from 1987	Market share
Sun Microsystems	1.700	48.9%	28.7%
HP/Apollo	1.500	27.0	28.4
Digital	0.960	26.5	15.9
Intergraph	0.385	23.7	6.0
Silicon Graphics	0.315	75.0	5.2
Others	1.080	63.8	17.8
Total	6.000	40.2	

Source: Dataquest Inc.

International Herald Tribune

In comparison, Ms. Hurley said worldwide microcomputer sales hit an estimated \$43 billion in 1989 and are expected to reach \$48 billion this year.

PRICE declines, performance enhancements and new applications are spurring the growth, Ms. Hurley said.

"Workstation vendors are still fighting the price-performance battle, keeping the workstation industry constantly on the move," Ms. Hurley said. "Vendors are in the never-ending stages of price slashing and performance enhancements."

So far, American manufacturers have dominated the workstation industry, which is becoming increasingly susceptible to multi-million-dollar mergers and acquisitions, as well as to global technology sharing.

For example, the industry leader, Sun Microsystems Inc., which captured a 28.7 percent market share last year for its SPARC-based workstation product line, reached an important licensing agreement last year with Toshiba Corp. of Japan, which provides the company with access to Sun's microprocessor technology.

Sun is aiming to widely disperse what had been a proprietary computer architecture in the hope of encouraging software developers to write application programs for its machines. In doing so, however, Sun risks providing workstation rivals with the technical prowess to mount a marketing challenge to its supremacy.

Sun has been especially aggressive in the Asian market, recently introducing file servers across a wide range of both price and performance for small businesses that are starting to automate their manufacturing and design opera-

tions in Hong Kong, South Korea and Taiwan. Hewlett-Packard Co., Sun's chief rival, purchased Apollo Computer Inc. last year in an effort to build market share and to mount a competitive challenge to Sun. With the acquisition, HP gained access to Apollo's lucrative customer base of European manufacturers, such as Nixdorf and Siemens.

TOGETHER, HP and Apollo gained a 26.4 percent market share last year, according to Dataquest.

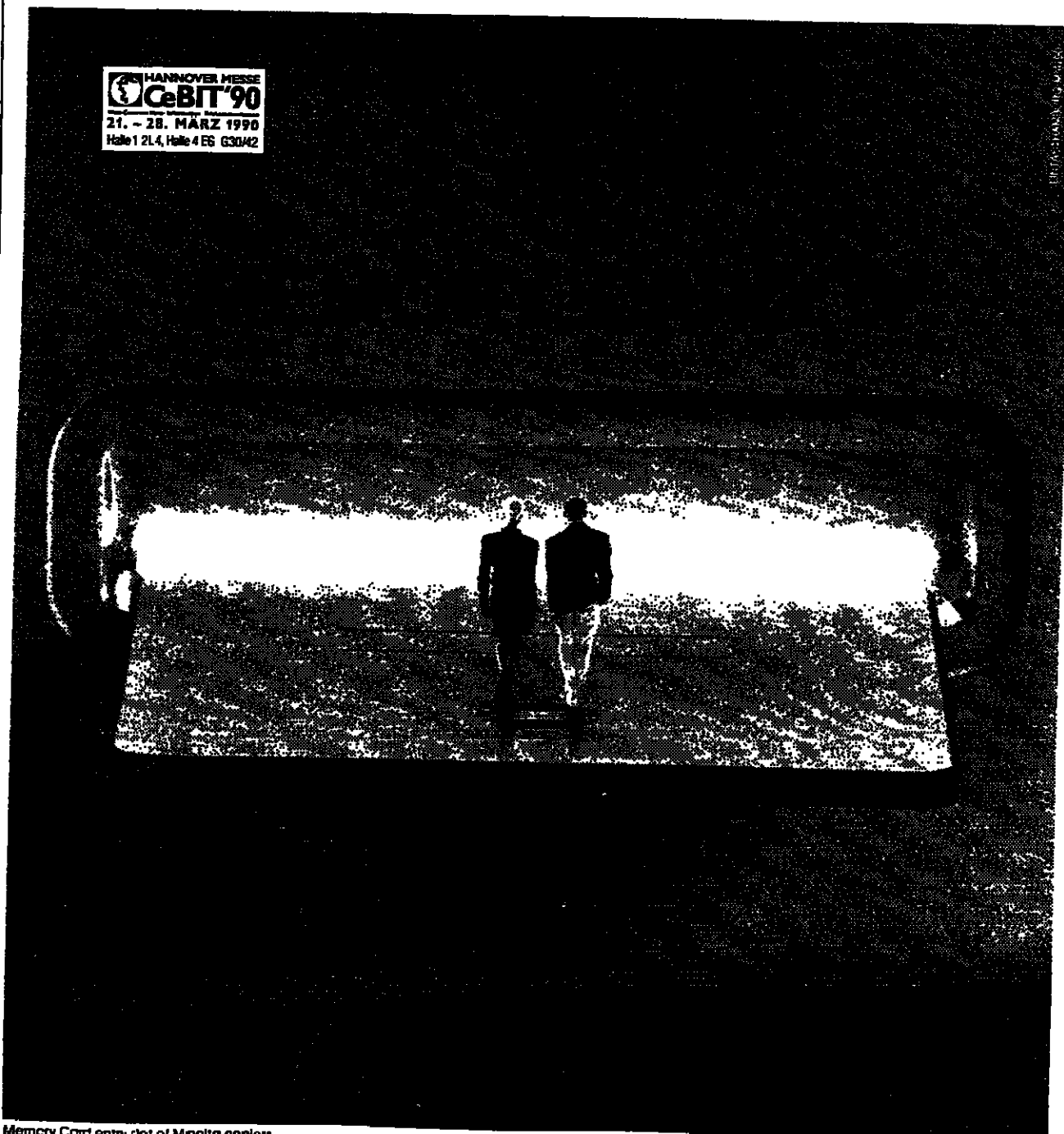
HP also licensed its own proprietary microprocessor technology to Hitachi in an effort to broaden the market acceptance of its architecture.

HP executives spent the better part of the year merging product lines, reauthorizing the dealers who sell its products and pairing administrative staffs. In early March the company outlined a new retail strategy for the United States aimed at strengthening its position in several vertical markets.

David Yewell, HP's manager of worldwide sales through resellers, said the program likely will soon be extended into Europe, where HP competes with Sun, Digital Equipment Corp. and a smaller rival, Silicon Graphics Inc. "In January, we got our [European] sales force deployed and our delivery channel set up," Mr. Yewell said. "Apollo has done

Continued on page 20

Remember the copiers with access into the future.



Minolta business equipment is already prepared for the tasks of tomorrow. Through our Memory Card, it offers you all the copying freedom you need. Simply by pre-programming it through MC-1 and inserting it into the copier, most operations will happen automatically. Your Minolta dealer can show you even more innovative features available now. So, remember today: Minolta. The simplicity of intelligence.

Minolta GmbH · B.E.O. in den Kolonnen 68 · D-3012 Langenhagen 1 · Tel. (0511) 7700-0



Dashboard Pilot Navigates Berlin

Central Computer Guides Cars Through Heavy Traffic in Test

By Douglas Sutton

WEST BERLIN — "Start getting into the left lane," the voice says as we drive down West Berlin's busy Hohenzollern-damm boulevard. "Turn right at the next intersection."

The instructions continue throughout a 4.9-mile (8-kilometer) drive from Berlin's Schlegelstraße district to the Brandenburg Gate. In the midst of busy nighttime traffic, the driving goes smoothly, thanks to some expert navigational advice — an on-board computer.

It's space-age technology applied to motoring. The ultimate goal of the project planners is to show how urban traffic can be helped to move more smoothly — and provide some answers to the question of how Europe's cities are going to cope with increasingly heavy traffic.

The project is called "Guidance and Information System Berlin" (LISB) and is jointly funded by the city, Bonn's Ministry for Research and Technology, and private West German industry. For the past several months, the LISB has been in a testing phase, with some 600 cars in West Berlin equipped with the on-board computer.

The LISB is a "dynamic" map-and-traffic information system, in which a central computer monitors traffic conditions from cars equipped with sensors. Using this information, it provides the on-board computers with traffic updates and can suggest alternative routes to drivers.

The on-board system is called the "Ali Scout," built by the Robert Bosch company, and in addition to the synthetic voice instructions, it

also has a small monitor on which an arrow points to the direction, a distance gauge, and a visual aid to indicate the intersection where a turn has been recommended.

The communications between the central information point equipped with six Apollo workstations and the Ali Scout are handled by a system developed by Siemens in which infrared beams are transmitted via "beacons." The square-shaped beacons are positioned at 240 key intersections out of the 1,200 crossings in West Berlin that are controlled by traffic lights.

The driver feeds his starting point and his destination into the Ali Scout, then begins driving. Guidance information starts once the car has passed the first beacon along the route.

The route guidance is based on a detailed coordinates system, and as the car progresses along its journey, it is not only receiving information from the central computer, but also helping the computer to keep abreast of traffic conditions.

Several problems developed in the initial testing phases, and put the project a year behind schedule.

One was getting the system to digest and relay updated traffic information quickly enough. Not infrequently, the Ali Scout was telling a driver to turn left or right only a fraction of a second ahead of time.

Other problems have been encountered in the infrared communications. West Berlin's overhead rapid-transit rail system, with its strong electromagnetic field, has been known to knock out the communications for minutes at a time.

In addition, if a film, caused by car exhausts or other urban grime, forms on the infrared beacons, it can

hamper their transmission. The infrared transmitter-receiver in the car, located on the other side of the rearview mirror, can likewise have its effectiveness restricted if the windshield is dirty or the glass contains too much insulation material.

Altogether, the LISB development and testing has cost some 20 million Deutsche marks (\$12 million), and the testing with the 600 cars is scheduled to be carried out for a year before a conclusion on its feasibility is reached.

"We will be conducting surveys that will focus on three areas: technical reliability, acceptance of LISB by the users, and how the system objectively affects traffic conditions," said Juerg Sparmann, a traffic control engineer from Study Group for Regional Traffic (SNV) and LISB project director.

"In 1970, West German traffic planners had projected there would be 30 million registered private cars by the turn of the century. Already, we have reached this level, and the

projections are now for 36 to 37 million cars — in addition to several million other vehicles — by the year 2000," Mr. Sparmann said. "Obviously, solutions to traffic congestion will have to be found."

Not everyone is so enthusiastic about LISB. Thomas Rogalla, a spokesman for Environment and Urban Planning Senator Michael Schreyer — one of the cabinet posts held by the Greens party in West Berlin's Social Democrat-Green coalition — said that LISB amounts to "doctoring around with the symptoms, but not the cause, of traffic problems."

"All that engineering and technological and financial input could be put to better use," Mr. Rogalla said.

"We would like to get West Berlin's rapid-transit trains operating again at two- to three-minute intervals, something which would require an exceptionally sophisticated signaling network," he said. "This is where efforts should be invested,

and not in something to encourage people to drive their cars more."

Others dispute whether this is the aim of the LISB project. A West German Transportation Ministry official in Bonn, Reinhard Weber, told the economic weekly Wirtschaftswoche: "It is completely wrong to assume that the LISB is simply meant to make car driving more attractive." He said the LISB ultimately could help reduce traffic congestion and thereby the burden on the environment.

The European Community is also interested in this potential. Mr. Sparmann said the West German group is hoping to win the project called DRIVE — Dedicated Road Infrastructure for Vehicle Safety in Europe — for installation in Frankfurt and the Rhein-Main region in the mid-1990s.

DOUGLAS SUTTON is an editor with the English-language service of Deutsche Presse-Agentur, the West German news agency.



The dashboard Ali Scout provides drivers with continually updated traffic information.

A New Information Age That Runs on Thin Air

Continued from page 19

tions further down the line. Bell Labs' processor works in the same basic way, but with the information expressed as pulses of light. Special materials either reflect or absorb the light, providing the equivalent of electrical switches. Information moves around the machine not on wires but over thin air, riding high-capacity laser beams.

LAB EXPERIMENTS are one thing; turning optical concepts into practical, cost-efficient computers is quite another. The roadblocks begin with materials. The creators of electronic computers found low-cost, high-performance materials relatively early on — copper and silicon. But for the optical computer, nature's not been as kind," says Nicholas Vamvakis, assistant professor at Rensselaer Polytechnic Institute in Troy, New York. The search continues, as does work on reliable components.

Designing the physical layout of an optical machine also requires an entirely new frame of mind. To gain maximum efficiency through data transfer by laser, components must be arrayed in line-of-sight of each other; in an electronic computer there is more flexibility, because wires can connect any point to any other point.

Software to make optical hardware worth having will be another challenge. Creating software of any kind remains a frustratingly costly, labor-intensive process. Parallel processing remains in its infancy in an industry in which most computers solve problems sequentially, finishing one step, then moving on to the next.

Thus, even if all the technological solutions are found, the economics might not fall in place. "People have investment in all kinds of equipment, both hardware and software, that they're not about to throw out," says Larry R. Medsker, a professor and chairman of the Department of Computer Science and Information Systems at American University in Washington.

These problems all give fuel to the skeptics,

who are sometimes dismissed in the optical community as "silicon bigots." IBM Corp., for instance, has spent significantly on optical research over the years but asserts in public that chances are very slim that a commercially viable, general purpose computer will ever get to the market.

More likely to catch on, in many analysts' minds, is the "hybrid" computer. "You don't have to go for the holy grail of a totally optical computer," says Ravi Athale, associate professor at Virginia's George Mason University. "You find various places within the conventional digital computers where you can inject optics." Indeed, today's mainframe that stores data on an optical platter might be seen as an early version of this.

In addition, many people would be perfectly happy to have specialized optical machines. AT&T, for instance, owner of Bell Labs, is talking of putting such computers to work switching calls on its vast long-distance network. This would enhance efficiency and speed, because optical signals in its many fiber cables would not have to be converted constantly into electrical form and back to optical.

For the United States government, hopes of specialized computers to run the anti-missile defense system known as the Strategic Defense Initiative created new funding for optical research in the 1980s. Other possible uses are in fields that now employ conventional supercomputers — weather forecasting and scientific research, for instance. And artificial intelligence, in which researchers attempt to replicate the workings of the human mind, can always use faster machines.

Few computer users, however, are holding their breath. Today's market already offers a myriad choices. Says Washington D.C. computer consultant Ulrich Weil, "Technology is outpacing users' ability to implement it, integrate it into their day-to-day operations."

Ten years from now, however, they may find a new generation of machines that makes their decisions that much more complex.

JOHN BURGESS writes on technology and business issues for The Washington Post.

'Antisense' for Gene Drugs

Continued from page 19

enzymatic degradation; the beta forms are usually rapidly degraded."

Paul Ts'o and Paul Miller at Johns Hopkins University in Baltimore have tackled the problem a different way, by making a chemical substitution in the molecule's backbone, creating a new type of oligonucleotide they call a Matagen. The Matagens are able to enter the cell as well as avoid being degraded.

Moreover, in the first test of gene drug technology on animals, Laure Aurelian at the University of Maryland has used a Matagen in lotion form to control herpes by applying it to the skin of mice infected with the virus. Although Ms. Aurelian stresses that her study is not yet completed, she says that she has performed the experiments "a number of times with similar results."

Mr. Ts'o and Mr. Miller have licensed the Matagen technology to Genta, which plans to file an application with the U.S. Food and Drug Administration within the next 12 months for permission to begin clinical trials. Genta is also scaling up production of the Matagens to the level needed to bring the price down to a reasonable level. At the moment, says Mr. Ts'o, "only the Queen of England can afford to have it."

A smaller group of scientists has opted to skip the RNA step and go after the DNA directly. "The antisense approach won't work in those cases where the number of messenger RNA molecules is unusually high or they are short-lived," says Michael Hogen, professor of biotechnology at the Baylor College of Medicine in Houston. Mr. Hogen, who is also chief scientific adviser to Triplex Pharmaceutical Corp. in The Woodlands, Texas, argues that in these cases, "the cell will try very hard to replace the inactivated RNA by synthesis of fresh RNA. An enormous amount of the drug will have to be administered."

Mr. Hogen and Triplex are attempting to block the transcription of DNA by exposing it to smaller oligonucleotide-like molecules that form "triple helices" at the site of the gene being targeted.

"This method has potential applications which antisense can't touch," he says. "For example, dealing with viruses such as AIDS, which go through a latent period where there is essentially no protein production. When you are harboring the virus with few symptoms or none at all, how do you inactivate it? The antisense approach will only work when the gene is being expressed through messenger RNA; if there is no messenger RNA, there is no target to hit."

A final approach to the development of gene drugs is based on the work of Thomas Cech of

Gene drugs may one day be effective in treating viral infections such as herpes and even AIDS.

the University of Colorado and Sidney Altman at Yale University. Mr. Cech and Mr. Altman shared the 1989 Nobel Prize in chemistry for their discovery of a special class of RNA molecules, called ribozymes, which are capable of cleaving messenger RNA.

These so-called "gene shears," which play an important role in the normal metabolism of the cell, can be custom-manufactured to target unwanted RNA molecules. Mr. Cech has licensed the rights to this technology to United States Biochemical Corp. in Cleveland, which is collaborating with Isis to develop commercial applications.

It is still too early to predict which of these various approaches will be successful. "All of these are, in a way, competitive technologies," says Vincent Keener, senior vice president in charge of business development for U.S. F. chemical. "They are all trying to stop protein expression, but the method is different. Years down the road, we may find that all of these technologies will blend together."

MICHAEL BALTER is a Paris-based journalist.

Europe's Last Word in Machine Translation

By Cynthia Guttman

PARIS — How fast can the European of 1992 learn to speak in tongues? In an emergency, a matter of minutes.

In France, the Minitel provides round-the-clock translations of nine-line texts in a few seconds. Express, which requires a personal computer with a modem, can run 400 pages an hour. The result will be a rough translation only — but that is sufficient for a browser to grasp the essentials of a document, and it can speed the work of the professional translator.

These are just a few examples of the approaches that are being explored in Europe a few years away from the single European market. Increasingly, machine translation is perceived as part of a trend in office automation that involves other document processing stages, especially optical scanning.

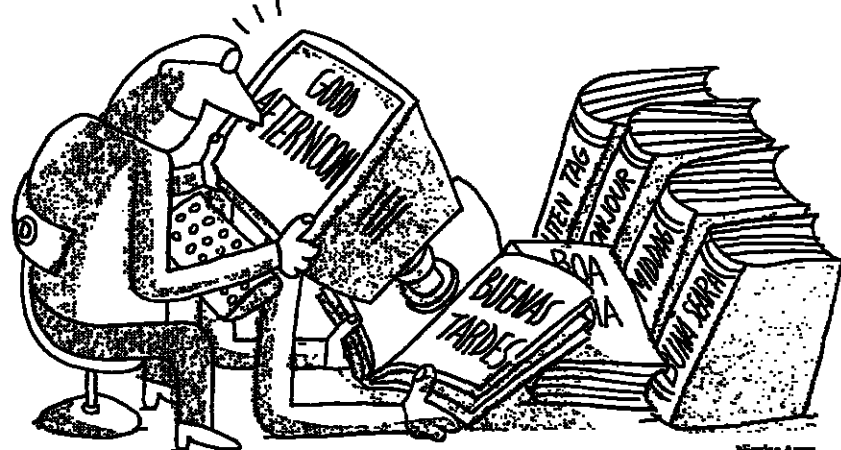
Worldwide, there are 70 machine translation systems on the market; half of these are from Japan. Of the three leading companies in Europe researching and developing translation packages — Siemens in Germany, Philips in the Netherlands, and IBM — only Siemens has brought a product to market.

Gachot S.A., which developed Minitel Traduction and Express, as well as a third system, has a yearly volume of 11 million francs (\$1.6 million) in translation services. It also owns the world rights to Systran, developed in the 1960s to translate Russian for the U.S. Air Force and NASA and now used by the European Commission for internal translations.

With translation needs estimated to be growing at about 15 percent per year, the future looks promising.

One potentially large market comprises the gathering of a maximum amount of information to be glanced at for its general sense, for these raw translations, speed and low cost are of primary importance. Another large market is the translation of a company's voluminous technical documentation.

For now, use of machine translation is patchy and is still viewed with skepticism by



most interpreting schools and professionals in the business. Though Xerox Corp. has successfully used machine translation to translate their manuals into five languages since 1976, only 0.5 percent of the 100 million pages that the EC translates every year is done by machine.

"There is little chance of developing high quality translation before 1992. The next big wave will probably be around 1995," said Jean-Marc Langé of IBM's language research department in France. IBM's research centers around the use of probability theory and artificial intelligence to refine linguistic models.

"I don't think there will be a high-quality system that will translate on its own by 1992," said Hans Kamp of the University of Stuttgart. "The problems that arise in developing a system that can really do it on its own are enormous. We know how to speak, but we have no understanding of how to describe everything that is going on."

Rather than any one giant leap in the field, the European approach is a pragmatic one, building largely on systems that have existed for the past 20 years.

Eurotra, the European Community's largest project, involving 19 universities, was started seven years ago and has, so far, cost

45 million ECUs, cofinanced by the EC and member states. It originally aimed at developing machine translation in all the community languages. At the time, there were seven; now there are nine, requiring a program to master 72 language pairs. The project is now being tailored to develop combinations where there is a real market.

THE field of greatest interest is computational linguistics, stressing the development of dictionaries and grammars that will eventually improve the quality and consistency of translation.

"We are just beginning to understand the complexity of the mind in using language," said Jules Marshall of Electric Word, a leading publication in the machine translation field. "At first we thought the brain worked rationally and that, like in a game of chess, calculations would lead to translating a language. In fact, the brain is far more complex. Next to it, even the most powerful supercomputer is as intelligent as a pigeon."

In the past five years, more powerful hardware has greatly cut down the response time of systems such as Systran. But most experts perceive better hardware as a tool. The heart

of progress comes from developing and fine-tuning software programs.

"One of the main problems in machine translation is language analysis," said Ian Pigott, head of the commission's Systran project. "If you have a complex algorithm, 95 percent of the effort is spent on reducing natural language to computer logic. Even if you have a lot of powerful tools to help you, the most difficult part of this is reducing the problem of analysis of text to an algorithm."

Systems targeted to very specific needs have so far shown the greatest efficiency. The Taum METEO system, developed and launched in Canada in 1977 to translate hourly weather forecasts, handles an average of 30,000 words a day. It is a classic example of the suitability of machine translation for repetitive tasks.

One of the most recent linguistics-oriented products is Siemens' METAL system, used for technical textbook translations. Originally developed by the University of Texas at Austin, Siemens spent an additional 25 million Deutsche marks (\$14.7 million) in developing hardware and software for METAL, and brought it onto the market last year. The package costs 250,000 marks; 18 orders have already been placed. It runs on a Unix system and employs methods of artificial intelligence to analyze language structure.

At Philips, the developers of its Rosetta program aim to create a "user-friendly" system for nonprofessionals. Still in the research stage, Rosetta takes a different approach from other systems in that it will search for similarities between grammars.

Linguistic Products, a Texas-based firm and one of the most recent arrivals on the market, offers a software system for just under \$1,000. When the system was launched five years ago, there were 25,000 entries. Now there are 40,000 with 12 language pairs.

"It is possible to be 95 percent correct," said Jean Gachot, president of Gachot. "In three years, we will be there and ready for the opening of the single market."

CYNTHIA GUTTMAN is on the staff of the International Herald Tribune.

In Japan, Computers Search for the Dream Language

By David Tracey

TOKYO — "Life is a dream of a dream." That's what Japan's best-selling computer translation software produced when asked for the equivalent of "Jinsei wa yume no yo desu."

Takehiko Yamamoto, president of Bravice International, chuckled at what his software had created, then tinkered with the Japanese wording to give the computer a second chance. A moment later, it flashed: "Dream of life is."

"In some cases, machine translation can produce very beautiful English," Mr. Yamamoto said. "And in others it can't. The difference is still too big."

In other words, human translators need not fear losing their jobs to computers coming out of Japan. Machine translation researchers say that computers will never be able to match people in producing high quality work. But in areas where speed and volume count for more than quality, computers may get the edge.

"Our target is to produce sentences that foreign people can understand, not necessarily perfect ones," said Sachiko Shiratori of Fujitsu. When given the same Japanese phrase, her company's computer translator produced: "The life is like the dream."

Results like these have led to a prevailing pragmatic view of the future of computer translating in Japan. It is a more even assessment of the technology than both the over-optimistic press reports of its first commercial releases in the mid-1980s and the

subsequent public discouragement when expected improvements did not arrive.

In 1984, Bravice sold its first Japanese-to-English translating software, which cost about \$2,500 and could be used in personal computers. Because Bravice supplies software only, its product is the cheapest — and sells the most. NEC, Japan's biggest computer maker, and Fujitsu are developing mainframes, which are tailored to corporate customers and are more expensive.

Four years ago, NEC unveiled a prototype that translated simple spoken Japanese into English, Russian or Spanish. Other companies announced they were developing voice-recognition computers as well, leading some to anticipate the automatic interpreting telephone for international calls.

The market for computer translation did not develop, however, once buyers realized how easily the computers were fooled by simple phrases. Even when correct, the translations were often written in stilted prose.

Mr. Yamamoto says that the 5,000 translating packages his company has sold make Bravice the market leader in Japan and probably the world, but he jokingly calls it a "toy empire" because of the industry's size. He admits that only 30 percent of the regular users of his product are satisfied with it but claims that his competitors have even less successful rates.

However, Mrs. Shiratori of Fujitsu said their customers understand what the machines can provide — rough translations that require post-editing — and that they work closely with Fujitsu technicians to achieve maximum results.

Developing programs that provide high quality translations to and from Japanese poses problems even more difficult than those presented by other languages. One is the ambiguity in much of the writing. The subject of a sentence is often omitted, and sentences tend to run on to confusing lengths.

To remedy this, some companies are developing systems that will rewrite the Japanese text before the computer attempts to translate it.

FUJITSU officials say their recently developed "diction polishing" software points out bad grammar and incorrectly written Japanese characters. It also divides rambling sentences into two or three concise ones. With a clearly written text to work with, they say, the computer produces reasonably accurate translations, and claim that it performs at twice the speed of a human translator. The mainframe system sells for around \$30,000.

"Our target is companies with a huge amount of material to be translated," Mrs. Shiratori said. The company is working on a translating system to handle French, Spanish, Korean and Chinese, and it recently announced development of the world's first Japanese-German translating machine together with the German software company ARIS Software-Entwicklung GmbH.

A number of other Japanese companies are also working on multilingual systems. NEC has developed a prototype that produces translations of Chinese, Thai, Spanish, Korean and English, all on the same computer screen. NEC also has been working for

30 years on a computer that can translate spoken language.

Voice-recognition systems are already being used commercially for simple single language tasks, said Kazumoto Iinuma in NEC's research management department. In some past offices in Japan, workers enter data by voice while using their hands to sort packages. For the time being, however, bar codes are still cheaper and faster to use.

The immediate future of voice translation machines, according to Mr. Iinuma, may be in limited markets where a large vocabulary is unnecessary, such as ticket reservations.

Like others in the field, NEC's researchers see a bright outlook for machine translation. While pursuing the long-term goal of computers that can translate not just words but concepts, the current trend is toward developing specific markets for imperfect but functional computer translations.

Bravice's Mr. Yamamoto says his computers are now translating headlines from the Japanese media for overseas computer-linked customers. NEC hopes to use machine-translated manuals in its overseas plants.

"We still haven't taken into consideration the mental processes used in creating language," Mr. Yamamoto said. "Machine translators have to be built up on linguistic phenomena, which aren't clear yet. And if we don't create natural language, people won't accept it."

DAVID TRACEY is a free-lance journalist in Tokyo.

Sharing Workstation Pie

Continued from page 19

very well in Europe and we intend to capitalize on that."

HP, Sun and other rival manufacturers recently began casting a wary eye at IBM Corp. Despite dominating mainframe, minicomputer and personal computer sales, IBM's entrance

The workstation market continues to have a robust 30 to 40 percent annual growth.

into the workstation industry had been a disappointing and embarrassing effort. Its workstation product line was criticized for being underpowered and overpriced, and IBM had managed only between a 2 and 3 percent worldwide market share despite aggressive promotion.

However, in February, after several months of delay, IBM introduced a dazzling, powerful and aggressively priced workstation line, the RS/6000.

"We were a powerful force in the PC market," said George Conrades, senior vice president and general manager of U.S. marketing and services. "We intend to be just as powerful a force in the workstation revolution."

Initially, IBM is concentrating on the scientific and engineering markets, although executives said the distribution base for the new machines will be broadened both in the United States and Europe. Some industry analysts believe that IBM will capture between a 10 and 15 percent market share with the new workstation line by the mid-1990s.

Although the workstation industry realignment and the barrage of new product introductions has focused attention on U.S. and European markets, analysts believe that Japanese companies eventually will need to be reckoned with.

Several already are battling head-on with Nikon Sun, San Microsystems' wholly owned Japanese subsidiary, for dominance in the lucrative Japanese financial services marketplace.

And Japanese companies are making other marketing moves. In mid-February, Takanaka Electric Manufacturing Co. Ltd. and Japan Computer Corp. announced that they will soon begin volume production of low-priced intelligent workstation terminals. Omron Corp. is also part of the joint venture and is developing a compact version for the securities industry.

Meanwhile, Toshiba Corp. is widely expected to introduce low-cost workstations based on Sun's technology in the United States and Japan by year's end. And Sony Microsystems Inc. has been actively promoting its NEWS workstation line in the United States.

Ms. Hurley, of Dataquest, estimates that Sony so far is the only Japanese vendor that has garnered a significant worldwide market share of workstation sales. She said the company has gained between 2 and 3 percent of the market.

However, Japanese companies such as Sony, Toshiba, Hitachi, Omron, Fujitsu and U Station combined have annual sales of some \$750 million worldwide, approximately a 12 to 13 percent global market share.

"So far, these companies have been concentrating largely on the Japanese market," Ms. Hurley said. "They are not selling into the U.S. market."

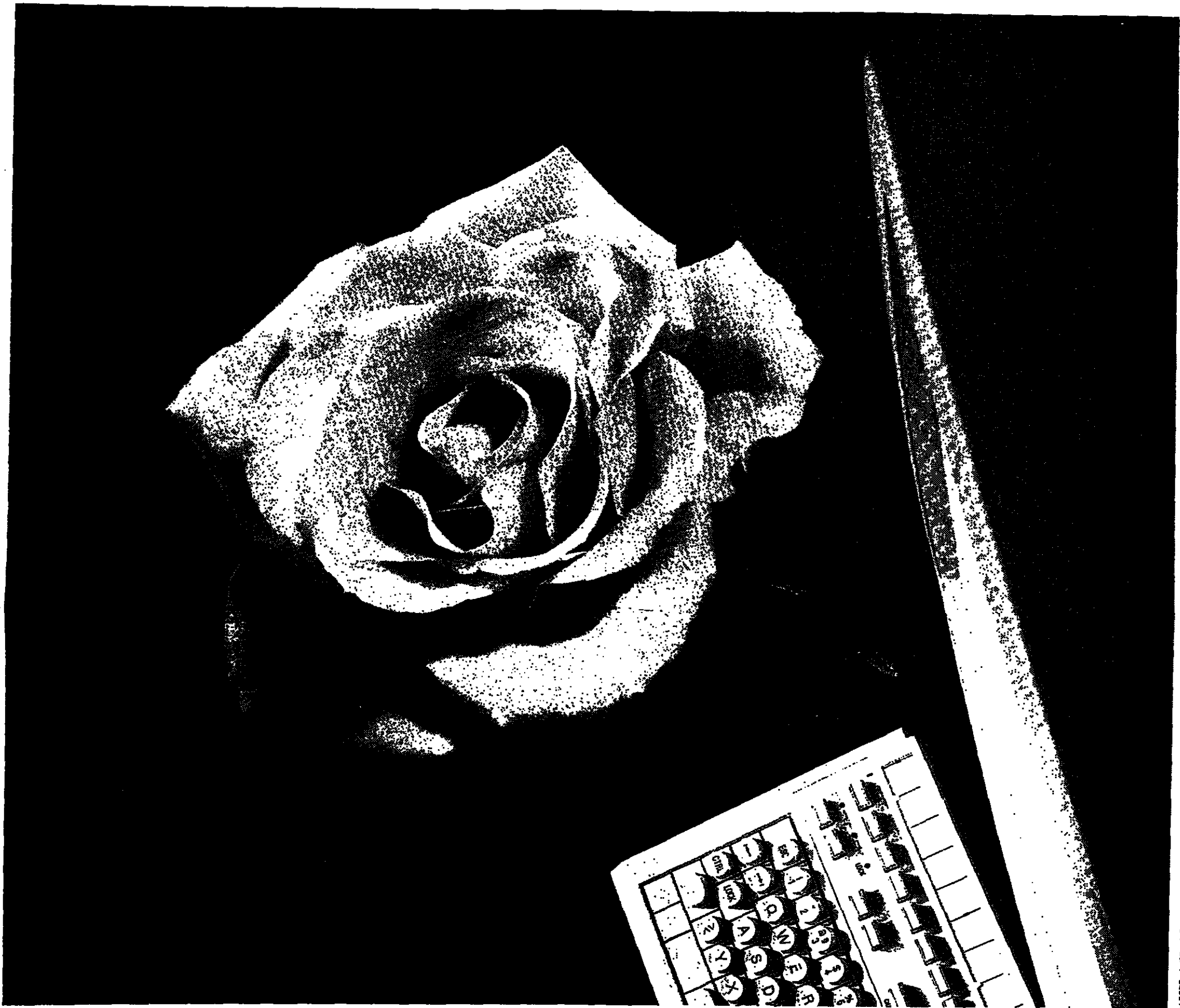
However, the large Japanese electronics firms traditionally have excelled at low-cost, high-volume manufacturers. Some analysts such as Brian Jeffrey, managing director of International Technology Group, believe the Japanese vendors will help push workstation prices down even more into the realm of personal computers. They may also wind up manufacturing some of the workstations for both IBM and Sun.

AL SENIA, a Los Angeles-based journalist, specializes in technology and aerospace.

السعودية ٢٢٢٢٢٢٢٢

His Sile
On Sy
Was a

SIEMENS



U5873-J-281-1-F600 UNIX is a registered trademark of AT&T.

Now Office Communications
can really blossom, thanks
to the new WX 200 Workstation.

HANOVER FAIR
CeBIT'90
World Center
Office • Information • Telecommunications
21.-28. March 1990
Hall 1, Stand 52/534

The new WX 200 Workstation puts you in the picture about what is happening within your organization.

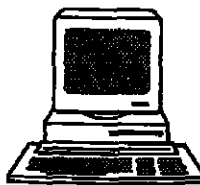
Not only will the new WX 200 enhance the quality of your graphic information, but even more importantly it will enhance the quality of your office communications. For which of us is able to take in the wealth of computer data created within a large organization? Only a computer, to be precise this computer, can possibly do this. It extracts the facts from the mass of extraneous detail surrounding them, puts the relationships between these facts into visible form and speaks the language we all find most persuasive: the language of pictures. This means it can come up with the arguments vital to success throughout your organization, whether in management, technical office, marketing department or anywhere else.

Just what the WX 200 can do is revealed best in local networks. It can put together images based on information gleaned from PCs, from departmental

computers and host machines, images which it then makes available to all these computers, wherever they may be within the organization. In this way it can supply its many users with, for example, technical drawings or overhead transparencies, or it can even be used to distribute your company newspaper - complete with professional standards of layout. And because your WX 200 conforms to the global UNIX® standards, you know your investment is secure for many years to come.

The conclusion?
Now office communications can really blossom. Thanks to the new WX 200.

Contact the data system section of your nearest Siemens subsidiary.



There's a Siemens Computer for every business.

ge 11

t

ou will
ling on
said
ist at

e offset
ling by
money
k earn

by the
d that
robust
ned to

: Man-
report-
tic de-
duction

r

cher
ury
tish
ary
that
rier
the
oft-

deal
No-
man
ted
sell
1.7
mcs
m).
mks
his,
sid-
pi-
off-
one

red
r it
led
id-
ery

dis-
o a
ad-
all
ot

7)

No-
Ritz
ried
agna
\$78

wing
f the
ch is
and
f the
forts

/ ac-
i in

mce
spe-
der-
on
bil-
\$99

ung
far
om
for
ver
En-
fi-

Euphoric Education

New York Times Service

WASHINGTON — Of all American politicians, big city mayors historically have been the refractors of elemental, inebriated politics, specialists in the scarabous phrase, with a command of Chinese Box corruption and a switchblade ethos of survival. They loved them, or at least had a primal understanding of them. Governors were too remote and patrician; Senators talked funny and dressed like bankers. The Mayor was sweat, rolled-up sleeves, billows of cigar smoke containing illusions of intimacy, not a small thing for fearful immigrants looking for a nail on which to hang their uncertainty, their

Which brings us to Marion Shepley Barry, Jr., the current and doubled Mayor of Washington, D.C. Before the young, grim technocrat tried his hands at subduing the chaos of decaying industrial cities, America's last boss-Mayor was Chicago's Richard Daley. After the anti-politics of the '60s, few thought the style and machinations of the old guard would be seen again, too primitive, too suggestive of politician's scribbles. Then, along came Marion Barry, who would show that the old, stained ways still worked and soon seemed intent on proving himself to be a media star of magnitude, this latter effort influenced greatly by the rising populist glitter of Jesse Jackson.

Black mayors became prominent in the '80s. Tom Bradley ran L.A. like a chief of protocol; Andy Young seemed to be a studious acolyte in Atlanta; Wilson Goode subsumed Philadelphia, not as bad as a pichad game until he lost his senses and dumbled a whole block occupied by defiant black separatists. But Barry was very different from the others, he didn't want to run Washington, he wanted to ruin it. He was the nation's clown. He was the president's presidency. He was the Jackson. The MTV Mayor of the Global City was the title he craved.

Back in 1978, of course, Barry was floating a far different persona. Like most eastern cities, Washington was in serious decline. But wasn't in character like other cities, it's duality as an edifice of

some saw as America's Soweto, was stark. The city was 80 percent black, a restless and confrontational black, wary of Congressmen who might take a slighted city's growth and budgetary and social problems. These blacks wanted a leader, a man off the block. Barry had been a familiar force on the D.C. streets, often in a dishdash and swarting the air with a fly cluster used by African hertsman; props are indispensable to the facade of revolt.

When the politics of a new guard was in the air when Barry took office. Here was a man who cared, who would do battle. Hadn't he organized the Free D.C. Movement (still resonating as a loud howl for statehood), been a fiery soldier in the Civil Rights wars? Hadn't he founded Pride Inc., which demanded jobs for black youth, and rumbled with the police, calling them an "occupation army"? But something, perhaps as early as Barry's campaign into pinstripes, became as canny and ruthless as an old Irishman; Daley himself would have laughed.

At first his machine purred. He forged alliances with big time white developers like Jeffrey Cohen, and rebuilt downtown. He courted the powerful black ministers, who began to look upon him in the way that Father Divine looked upon his Sunday collection nets. He paraded the sun-blasted streets in short sleeves, pounding into the psyches of the poor his caring, his accessibility, the fact that he was a homebody. But his power base was more than visual. In a poor city of 620,000, he created thousands of new patronage jobs. And hardly an eye fluttered when administrators like his ex-wife Mary Treadwell, or Deputy Mayors Ivanhoe Donaldson and Alphonse Hill, began to go to jail (Eventually the federal would go to jail.) By day the national word cracks across the facade. There were traces of arrogance, an insistence to daily city affairs. Barry began to show up at topless nightspots like "This Is It!," and seemed jovially willing to accept his new nickname, "Nightowl." He began an affair with a cocaine dealer, Karen Johnson, who went to jail rather than implicate him (she now works for the city, too). But Barry survived.

world politics dimmed by what some saw as America's Somoza, was stark. The city was 80 percent black, a restless and confrontational black, weary of Congressional oversight that slighted the city's growing budgetary and social needs. The city's political boss, a leader, a man off the block. Barry had been a familiar force on the D.C. streets, often in a dinkie and swarting the air with a fly catcher used by African herdsmen; props are indispensable to the facade of revolt.

And the politics of a new justice in the air when Barry took office. Here was a man who cared, who would do battle. Hadn't he organized the Free D.C. Movement (still resounding as a loud bid for statehood), been a fiery soldier in the Civil Rights years? Hadn't he founded Pride Inc., which demanded jobs for black youth, and then the Black Caucus, which called them an "occupation army"? But something happened as Barry metamorphosed into pinstripes; he became as canny and ruthless as an old Irishman; Daley himself would have laughed.

At first his machine purred. He forged alliances with big time white developers like Jeffrey Coen, and rebuilt downtown. He courted the powerful black ministers, who began to look upon him in the way that Father Divine looked upon his Sunday collection nests. He paraded the sun-blasted streets in dinkies, his white collared pants of the poor like a sign of grace, his accessibility, the fact that he was a homeboy. But his power base was more than visual. In a poor city of 620,000, he created thousands of new patronage jobs. And hardly an eye fluttered when administrators like his ex-wife Mary Treawdell, or Deputy Mayors Ivanhoe Donaldson and Alphonse Hill, began to go to jail. (Eventually the total would reach 15.) By his second term, cracks seamed the facade. There were traces of arrogance, an insistence to dally city affairs. Barry began to show up late at night, and to "pull it," as the saying is, "pulling it," as he jowlingly visited to accept his new nickname, "Nightowl."

He began an affair with a cocaine dealer, Karen Johnson, who went to jail rather than implicate him (she now works for the city, too). But Barry survived.



Two years ago the electorate had no choice but to pay attention when *Nightowl* was espied by a police stakeout visiting the hotel room of a mousey little coke dealer, Charles Lewis. Trying to survive a run for a fourth term, Barry now turned ugly: the media was racist, he frequently railed, white conspiracy was behind the Federal

bilities at schools, offering his own body as a role model. But white-tanned bodies from torrid drug wars, up to six a night, were making D.C.'s streets the most violent of the world.

Despite the high scent of personal corruption and public incompetence, he still looked a leader for a fourth term; patronage of his sort and the idea of racial persecution did not fade easily. Jesse Jackson moved to Washington, and critics seized that opportunity to make his candidacy for mayor seem less likely. "If you're a black man Barry couldn't beat seeing in neon. Confidently, the Mayor cracked: 'Jesse don't wanna run anything 'cept his mouth.' He came on as bad as James Brown," until, in January, an old girlfriend, leggy model Rushanda Moore, confessed she'd had sex with him. "It hit him like a hotel where movies were made of the mayor smoking crack cocaine. He was charged with four counts of drug possession, and one count of perjury from an earlier dissembling performance before a grand jury."

He came back to the Globetrotters City last week, after 49 days in a treatment center, power vocation, bawling off Klieg lights in aspiration for another run. He's been showing a lot of humility, though insisting it's not really a drug problem. "I never mind the spoiled film and the cool Feds. Alcohol, he swore, was his more truly problem, thus setting up what will surely be the first Danny Martin comedy defense. Cognac robbed him of memory, he said, it made him do stupid things in hotel rooms! In the meantime, with only 10 dollars of campaign treasure left after builders and preachers fed, he craftily went about repairing an image torn by loyal and sentimental robes. You see him often in churches now, with head bowed. He talks about the Bible, too. He'll grant any interview, standing to explain himself. His even compliments reporters, saying that, barring drugs, they were right to say all those bad things about him. He will not admit to being politically dead, or that. Not like the fighter, Frankie Jerome, who was killed in the ring. "He died in my arms," said the trainer, Whedey Birnstein. "He was still slippin' punches."

Mark Kram is a contributing editor of Esquire.

women in the breakup last month of Donald and Irene Trump, he was dumped, according to New York newspapers. Trump told Maples in a brief phone call that it was over, according to the New York Post. The Post said Trump changed his private number so Maples could no longer ring him at home. The paper said "a reliable source" said Maples sobbed and begged Trump not to dump her. The Daily News reported that Trump told friends last week, "She's on her own" and that he didn't leave his wife to die. Trump's spokesman did not comment on the alleged dumping but a spokesman for Maples said there has been no change in the relationship, which was "new more than a friendship."

□

The Hilton Hotel in Amsterdam will rent the suite in which John Lennon and Yoko Ono held the news conference in bed for women in 1969. The suite will go for 1,500 guilders (\$793) a night.

□

The American tour saxophonist Stan Getz and the Belgian guitarist Philip Catherine each won a "Rivier jazz prize in the Hague. The awards, named after Charlie (Rip) Parker, are presented annually to an American and a non-American at the North Sea Jazz Festival.

□

"King," the troubled British musician about the slain American civil rights leader Martin Luther King Jr., has a new producer and book writer. Clark Peters and Louis Elser 3d have been hired to replace the director Graham Vick and the book writer Richard Nelson, respectively. Both left the production last week. The April 11 opening at the Piccadilly Theater has been postponed to a date yet to be decided.

□

President George Bush says his wife can't eat her broccoli and he can't eat the stuff. Bush expressed delight that California growers were shipping 10 tons of the vegetable to feed the hungry at the nation's capital. Barbara Bush has publicly bemoaned the difficulty of getting him to eat vegetables because he mainly likes pork rinds, taco salads and almost anything

[illegible]